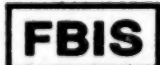


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3 November 1981

# Latin America Report

No. 2394



FOREIGN BROADCAST INFORMATION SERVICE

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3 November 1981

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## BRIEFS

FUEL PRICE INCREASES--According to the price regulation office, the government has decided to increase the price of gasoline and diesel by 6 cents, kerosene by 1 cent and liquid gas by 24 cents. Beginning tomorrow, super gasoline will cost 2.32 balboas a gallon, regular gasoline will be 2.18 balboas a gallon, diesel will cost 1.40 balboas a gallon, kerosene will be 1.30 balboas a gallon and the 25-pound tank of liquid gas will cost 5.54 cents. [PA160618 Panama City Televisora Nacional in Spanish 2245 GMT 13 Oct 81]

CSO: 3010/143

NICARAGUAN JOURNALIST CHAMORRO INTERVIEWED IN ARGENTINA

PY232029 Buenos Aires LA PRENSA in Spanish 20 Oct 81 p 6

[Article by Baltasar de Rosa]

[Excerpts] The Nicaraguan daily LA PRENSA for many decades struggled against Anastasio Somoza's dictatorship. Its editor, Pedro Chamorro, paid for this with his life. During its last days the regime set fire to and destroyed the premises of the newspaper.

What does LA PRENSA support which bothers some people? Pedro Joaquin Chamorro, son of the murdered journalist answered: "We defend the right to inform the people on what is going on with every detail."

Chamorro and his mother Violeta, a former member of the Nicaraguan government junta, are visiting our country after participating in the Inter-American Press Association (IAPA) meeting in Rio de Janeiro.

During an interview granted to this daily, Pedro Chamorro expanded on statements made in Rio regarding the media's situation in his country and especially the situation of the newspaper owned by his family, which is managed by his uncle at present.

He said that "the government, even disregarding ideologies, does not like us publishing opinions which differ from those officially approved and promoted by the media sector which is loyal to it."

Chamorro said that "it does not like criticism or commentaries on issues which it considers delicate, such as the economic problem, for example. It does not allow criticism of cases of mismanagement."

According to Chamorro the "revolution" is above all as a supreme value, thus acquiring special, magic and marvelous shapes. "Those who do not understand that special magic will have to face the reaction of those people."

He stated that "supposedly a revolution is a process of changes aimed at social development. If this is what revolutions are about, I do not like them."

According to Chamorro, the Nicaraguan government rejects all criticism as a "confrontation" and desires the entire media to follow an "orientation" in its favor. "But LA PRENSA is independent and loyal to its opposition to totalitarianism," he added.

He pointed out that in Nicaragua the two television stations, 90 percent of the radio stations and two-thirds of the newspapers directly or indirectly toe the Sandinist line. Chamorro stated: "However, the government draws our attention to it if we omit publishing any official information."

According to Chamorro's description, the most outstanding characteristics of the current process in his country are the lack of separation between the army, party and state (whose leadership is exercised by the same person), the lack of political pluralism, the concept of elitism in society, and the lack of a true nonalignment.

But Chamorro says that these characteristics were obvious from the very first day the new government took power. He noted: "I am proud to have been the first one who criticized this process but this does not mean that I have not praised its good deeds."

He noted that the government does not fear the Somoza movement as much as imperialism or the return of the bourgeoisie. But he added: "They are wrong in believing this since the opposition is not identified by classes but by political issues and it also includes those who struggled in support of the Sandinist front."

He admitted, however, that the reappearance of the old Somoza national guard is still a danger and that according to government officials it has the support of Honduras, Guatemala, El Salvador and even Argentina.

Chamorro believes that more than anything else these activities against the government pose a threat to Nicaraguan democrats. He noted: "The Sandinist government has warned that the heads of those who criticize the government will roll as soon as a foreign invasion is detected. And I may be at the top of that list."

According to Chamorro the United States was "very patient" with Nicaragua in view of the verbal attacks issued by Nicaraguan leaders. But he added: "Bilateral relations deteriorated after charges were issued that Nicaragua was allegedly supplying arms to Salvadoran guerrillas, and there has been no evidence on this."

He added that at the United Nations Nicaragua had not voted in keeping its status as a nonaligned country and that it maintained fluent relations with socialist countries.

Chamorro said: "There is an important technical cooperation program with Cuba. Sandinist leaders have traveled throughout the Soviet bloc requesting aid, particularly to help an economy that is not doing well, and a negative balance of payments."



"The economy cannot improve because the business sectors do not invest. Money is what is most scarce. Our newspaper is one of the few enterprises which has undertaken its reconstruction seriously. We have gotten our offset rotary working again and are building new premises."

Chamorro pointed out: "It is clear that our purpose is not to make money, we value other things. LA PRENSA is what is left of pluralism in Nicaragua."

"The current leaders claim to represent the people because they won the revolution and undoubtedly are capable of getting the people's support. But they do not admit any competition," he pointed out.

"Their declared purpose is to improve the people's situation and for that they justify any means, including the wrong one chosen which will not yield the results they expect."

"Their tool is the complete politization of society and the achievement of massive support. One of the mottos promoted by the government which we have criticized most says: 'National directorate, give your orders.' But only slaves ask to be ordered," stated Chamorro.

CSO: 3010/119

## FSLN YOUTH OFFICIAL ON REGIONAL SOLIDARITY EVENTS

PA102255 Managua Radio Sandino in Spanish 1800 GMT 10 Oct 81

[Text] The revolutionary youth of Central America and Panama have been expressing their solidarity with our process and remain in a state of alert in the face of any intervention by Yankee imperialism in Sandino's land. The youth organizations in Central America and Panama have held several events of solidarity with our people's revolutionary cause. Through these events they have repudiated Yankee imperialism's militaristic actions, as represented by the recent hawk view maneuvers.

The Central American students have declared themselves in a state of alert against any armed intervention in Sandino's land and against any effort to neutralize the liberation movement currently underway in El Salvador. The above was announced by companero Fabio Tablada Vanegas, who is in charge of the Sandinist youth movement's international solidarity department and is a delegate to the CNSP [Nicaraguan Committee of Solidarity with the Peoples].

Tablada will not provide additional details:

[Begin recording] In Honduras, the Honduran youth and popular organizations staged marches in Tegucigalpa and San Pedro Sula to repudiate the military maneuvers. The youth and the people there are willing to defend the Sandinist People's Revolution as if it were their own cause. They are also willing to defend the Salvadoran Revolution.

A similar event was held in Costa Rica, where Costa Rican youth held a political event at the National University of that fraternal country to repudiate the hawk view maneuvers. They also expressed their militant solidarity with the Sandinist people's and the Salvadoran revolutions.

Representatives of all of Panama's student movements also held a march in Panama City. The march proceeded through the main streets and ended in front of the U.S. Embassy in Panama, where the students delivered a document to the Yankee ambassador. He in turn was to deliver this document to the warring Ronald Reagan. The ambassador, however, rejected the document, alleging that both the march and the contents of the document were of a communist nature. In the end, the ambassador did not receive the letter. The students then headed for the Nicaraguan Embassy, where they held a political event and delivered a document to the ambassador. The students' document expressed their solidarity with our struggle and with the Sandinist cause and stated that they would be willing to defend this revolution as if it were their own. [End recording]

CSO: 3010/155

## INTERNATIONAL DEMOCRATIC FORUM HELD IN COSTA RICA

## Nicaraguan Situation Discussed

PA052154 San Jose Radio Reloj in Spanish 1730 GMT 5 Oct 81

[Text] An international democratic forum on the Nicaraguan revolution was held in San Jose, Costa Rica, during the past 3 days with the participation of Central American delegations and political leaders of the social democratic and liberal parties. The Nicaraguan democratic organizations exchanged views and analyzed Nicaraguan democratic organizations exchanged views and analyzed Nicaragua's internal situation. They also discussed general matters concerning the government and influence of the revolutionary process on the country's political, cultural, social and economic life.

The following resolutions were approved during the international democratic forum: to recommend the establishment of the international democratic forum with the participation of representative sectors which opposed the Somoza regime and which should be representative of the people's free will; respect for human rights of all Nicaraguans; free elections as soon as possible, in order to establish a genuinely democratic government that will guarantee peace, freedom and justice. Finally, it was agreed to continue holding these forums.

## 'LA PRENSA' Report

PA120202 Managua LA PRENSA in Spanish 4 Oct 81 p 8A

[Text] One of the main conclusions reached at the regional forum on Nicaragua, which ended last night in San Jose, Costa Rica, was that the process of changes that is taking place in Nicaragua is neither an isolated nor a local phenomenon, but an action which involves Central America's democratic interests.

The forum, which was attended by representatives of the region's democratic parties, is the first of its kind, since for the first time democratic parties with different ideologies, agree on the need to establish democracy in the region.

Also present were labor leaders of independent and democratic views, of national and regional organizations.

The participants in the forum at all times showed special interest in the Nicaraguan situation which was discussed by the Nicaraguan delegates.

The participants in the forum said that it has been very positive because it allowed them a deeper knowledge of the Nicaraguan situation and particularly of the most recent developments.

One of the speeches to which they were the most attentive was the one by Alfonso Robelo, of the Nicaraguan Democratic Movement, MDN, who at the end called for a Central American Democratic unity.

One of the most interesting moments of the forum was the discussion referring to the ideological leadership of the Nicaraguan Revolution. They mentioned a speech by Commander Humberto Ortega in which he says that Sandinism is moving alongside Marxism-Leninism.

"We are extremely worried by this clear statement by Commander Ortega, because in Costa Rica we always thought of Sandino as a nationalist and not as a Marxist-Leninist," Alfonso Carro Zuniga, of the National Liberation Party of Costa Rica and former president of legislative assembly, said.

Toward the end of the forum several delegates said that this meeting was the first step toward the establishment of a Central American Democratic Front, which would offer the suffering people a political alternative in overcoming poverty and oppression so that they do not fall for a totalitarian system.

They also agreed that in the same manner that this first forum had dealt primarily with Nicaragua, other forums will be held in the near future to discuss and learn more about the needs of other countries of the region.

Observers from Venezuelan political organizations and from aid institutions and development funds were also present.

CSO: 3010/155

## BRIEFS

PROTOCOL WITH MEXICO--Nicaragua and Mexico will participate in a project aimed at boosting food production in this country. The general board of the national evaluation system of the Mexican presidency reported in Mexico City today that representatives of the two government signed the initial protocol for the creation of a mixed company based on experiences gathered from the Mexican nutrition system. Nicaragua will benefit from the establishment of this firm because it will help increase the production of basic food for its people and will help produce an excess for export, Mexican sources reported. The amount of the investment involved have not been determined yet, the sources added, but it has been established that Mexico will furnish 49 percent of the capital and Nicaragua will hold the rest of the shares thereby controlling the enterprise. [Text] [PA060330 Managua International Service in Spanish 0030 GMT 6 Oct 81]

CSO: 3010/155



## THAI FOREIGN MINISTER SIGNS AGREEMENT, DEPARTS

PY281435 Buenos Aires LA PRENSA in Spanish 22 Oct 81 p 5

[Excerpts] The Thai foreign minister, airforce Marshall Sitthi Sawetsila, departed yesterday for Chile, where he will visit before returning to his own country. Argentine Foreign Minister Oscar Camilion had said good bye to the Thai foreign minister at the hotel in which the latter was lodged.

During his stay in this capital, the government's guest talked with President Roberto Viola, with Commerce Minister Carlos Garcia Martinez and he also held work meetings with Camilion and other San Martin palace officials. He also signed a scientific and technological cooperation agreement.

He also gave a lecture entitled: "Thailand and the Situation in Southeast Asia" at the Argentine Council of International Relations. The night-before last he gave a reception for Camilion and decorated him in the name of his government.

The document that the two foreign ministers signed states that the two countries will promote, in accordance with their respective laws and regulations, reciprocal scientific and technical cooperation, through which they will exchange information pertaining to those sectors and they will exchange technical personnel in order to transfer knowledge and experience, plans, projects or any other type of scientific and technical cooperation.

The implementation of these activities and the details of each of the programs that are to be undertaken will be subject to specific agreements implemented through diplomatic channels, including the participation of private organizations or institutions of the two countries and that of a third country when the two nations deem it necessary.

The expense for sending personnel, equipment and materiel will be undertaken by the sending country, while local expenses will be undertaken by the other.

It is made clear that the personal effects of those who reside in one or another country will be reciprocally exempt from paying customs tariffs and it is established that the two foreign ministries will be the organizations charged with the implementation of the agreement that has been signed, in addition to creating a joint committee that will meet twice a year and special work groups for studying problems that have been determined by the parties. The agreement will go into effect as soon as the two countries have notified each other in writing and it will be extended every 5 years, unless one of the parties decides not to with a 1-year prior notification.

## PRESIDENT OUTLINES 3-YEAR GOVERNMENT PLAN

PY222132 La Paz Radio Illimani Network in Spanish 1130 GMT 22 Oct 81

[Text] The 3-year government plan implemented as of today is comprised of 10 chapters which include: foreign policy, domestic policy, military policy and the role of the armed forces, institutional policy of the Bolivian police force, economic policy, sectorial policy, social policy, cultural policy, regional policy and subregional integration policy.

The plan which was extensively outlined by the president during his speech delivered last night was released to the media later on.

Due to its importance we will refer to the economic policy chapter which establishes:

State finances:

- A. To substantially broaden the tax base by including all urban and rural sectors which do not pay taxes in the revenue system, based on principles of equity and universality regarding contributive capacity and in applying tax laws.
- B. Drastically reduce tax evasion in the private and public sector through a radical improvement of the control system, and by eliminating franchises, exemptions and privileges.
- C. Rationalize and update the systems for tax collection and control, eliminate corruption at the administrative level.
- D. Turn the specific taxes into ad valorem taxes in order to make them simultaneously flexible according to the increase of prices.
- E. Reorganize the customs policy so that it will be preferably aimed at the following objectives: 1. [word indistinct] substitution of imports; 2. penalization of the import of luxury and nonessential goods; 3. encourage exports, especially nontraditional goods; 4. subject the national industry to competition by reducing customs duties in order to channel industry to produce goods with comparative advantages.

F. Order the implementation of a new budget policy which should be obligatory and realistic so that government expenditures should strictly adjust to the available financial means. The income policy should be based on an equitable distribution of government expenditures and the expenditure policy will be aimed at maintaining employment and will be equitably channeled according to the economic sectors and the geographic areas.

G. Rationalize public investments aimed at priority projects which will yield results in a short term, which will be highly profitable and favorable for the country regarding production, jobs, and in generating foreign currency.

H. Do away with subsidies and unreal prices.

I. Balance the budget and do away with the Central Bank's financial deficit.

J. Renegotiate the foreign debt in terms and conditions compatible with the country's situation.

#### Financial policy:

A. Encourage foreign investments through a new realistic and objective investments law provided with simple rules, clearly established and easily applied.

B. Reorient domestic investment to direct it preferably toward increasing the value of domestic production.

C. Establish a centralized and strict control mechanism of the foreign debt; channel those resources exclusively for investment purposes and preferably in projects which will yield results in a short term.

D. Order the full functioning of the stock market.

E. Create an economic-financial stabilization council as the main tool for the control and continuation of the economic reactivation process.

#### Monetary policy:

A. Establish a realistic exchange policy based on the market behavior.

B. Use the monetary tools of legal reserve, selective rediscount and bank interest rates so that it will tend to maintain aggregate demand at levels compatible with the offer of goods and services.

#### Productive sector policy:

Due to the financial and institutional weakness of the public sector which constitutes a limiting factor and which has its impact on the development of new investments it has been decided to:

A. Restructure the public business sector through the expansion of the private sector.

- B. Rationalize jobs and salaries in the public sector seeking an increase of production and reduction of costs.
- C. Promote the participation of the private sector in state-owned enterprises as well as their possible ownership.
- D. Reduce the state's participation in future productive activities.
- E. Transfer or allow the participation of the private sector in those productive projects currently underway which would be advisable due to the aforementioned financial and institutional weakness of the public sector.
- F. Establish a new compensatory regime of rights and concessions for the exploitation of natural resources both for the public and private sector enterprises.
- G. Eliminate the Central Bank's endorsement system for the acquirement of loans for the private sector and a substantial reduction of similar endorsements to the public sector up to its complete elimination.
- H. Eliminate the transfer of capital granted by the Central Bank to private enterprises as well as suppress subsidies and aid to the public sector in general.
- I. Approve the law which will promote the export of nontraditional goods which are carried out under the warrant system and other types of financing systems, avoiding all types of subsidies by the state.
- J. Create the institute for foreign trade.

CSO: 3010/119

## GOVERNMENT'S RIGHTS VIOLATIONS CITED

PY202044 Paris AFP in Spanish 1532 GMT 18 Oct 81

[Text] La Paz, 18 Oct (AFP)--An open letter published here today and addressed to Bolivian President Gen Celso Torrelío Villa by this city's permanent human rights assembly indicates that his government even today continues to violate basic freedom, which is guaranteed by the constitution.

The letter states that these violations will be verified by a delegation from the UN Human Rights Commission. This delegation is expected to arrive in the country next Tuesday.

The letter warns that its assertions are backed up by concrete facts, such as the ban on labor and professional activities; the violation of university autonomy; and the house raids, detentions, kidnappings and murders.

In this respect, it recalls that during the past few days Special Security Service (SES) agents cold-bloodedly killed driver Felix Filberto Ribera and that on a previous occasion miners Humberto Victoria and Julio Cossio also lost their lives.

It adds that labor leaders are persecuted just because they sign declarations and it cites the case of Guido Arce, a leader of the Santa Cruz Department labor central, who was detained and is now missing.

The La Paz Human Rights Assembly also refers to recent statements made by Education Minister Col Juan Vera Antezana, who directly threatened any teacher who dares to sign a declaration.

It also notes that university students are severely controlled, threatened and in many cases arrested for reasons that would never be considered criminal by governments that respect legal order.

It stresses that the continuing curfew, the enforcement of the state radio network, the impounding of equipment belonging to radio stations of the mining sector and the threats against the media must be added to the above mentioned.

The assembly reminds Torrelío that in one of his first speeches he promised to govern with the law in his hands, and then indicates that this promise is not being carried out, although there is still the hope that his words will cause a change in the situation that has been reigning in the country since the 17 July 1980 coup.

CSO: 3010/132



## BRIEFS

COMIBOL DEFICIT--Armando de Urioste, general manager of COMIBOL (Mining Corporation of Bolivia), has reported that as of August 1981 COMIBOL's deficit amounts to \$91 million, of which \$47.9 million have already been paid. He blamed this situation on COMIBOL's critical lack of supplies. [PY162345 La Paz EL DIARIO in Spanish 9 Oct 81 p 3 PY]

MONETARY GROWTH, RESERVES--The Central Bank has released its 1980 annual statement which indicates that the monetary growth during that year amounted to 68.6 percent, the equivalent to 6,470,900,000 Bolivian pesos. This growth was influenced by the distortions caused by the private and public sectors. During the same year there was also a contraction of the monetary reserves, they decreased by 428 million Bolivian pesos to 3,142,000,000 Bolivian pesos. This decrease in the reserves was due to the payments that had to be made to amortize the external debt. [La Paz Radio Illimani Network in Spanish 0100 GMT 16 Oct 81 PY]

COMMUNICATIONS UNDERSECRETARY--Transport and Communications Minister Hector Caballero Cardozo has sworn in Eng Edmundo Arauz Rea as the new communications undersecretary of his ministry. [La Paz Radio Illimani Network in Spanish 1700 GMT 23 Oct 81 PY]

RIVER PLATE BASIN LOAN--The Bolivian Finance Ministry and the river plate basin fund today signed an agreement by which the latter will supply a \$7.5 million loan to build the Potosi-[name indistinct] highway which will be part of the Panamerican Highway which will link Peru and Argentina. [La Paz Radio Illimani Network in Spanish 0100 GMT 81 PY [as printed]]

ANTIMONY PRODUCERS MEETING--Producers of antimony from different countries will meet for the first time to consider aspects of interest in this sector, especially regarding defense of prices on the international market. The Bolivian committee for antimony producers is charged with organizing this international meeting which is to take place in La Paz from 27-30 October in the auditorium of a downtown hotel. (Alberto Barrios), representative of small mine producers of antimony, told us that the meeting will have the following objectives: [begin (Barrios) recording] The first objective, according to initial contacts, is to create an international antimony commission. [end recording] The meeting will discuss five main points: general consideration of production of raw [primario] antimony; mineral-metallurgical information in general; exchange of

opinions on new types of uses for raw antimony; various issues, and conclusions. The meeting of antimony producers is very important for the future of this sector, because this is the first meeting to be held on this issue. [Excerpt] [PY231619 La Paz Radio Illimani Network in Spanish 1130 GMT 23 Oct 81]

STATE INCOMES--The treasury of the nation has reported that government incomes in 1980 were only 81 percent of those of 1979. The mining sector increased its share of those incomes, through royalties and export taxes, from 25 percent in 1979 to 27 percent in 1980. [PY191701 La Paz Radio Illimani Network in Spanish 1130 GMT 19 Oct 81 PY]

INFORMATION MINISTRY--The general information secretariat of the presidency has been elevated to the category of ministry, according to a decree approved by the cabinet. [La Paz Radio Illimani Network in Spanish 1130 GMT 19 Oct 81 PY]

CSO: 3010/119

## MINISTER CABRISAS INTERVIEWED ON COUNTRY'S FOREIGN TRADE

Havana VERDE OLIVO in Spanish 20 Sep 81 pp 28-33

[Report on interview with Minister of Foreign Trade Ricardo Cabrisas Ruiz, by Roberto Casin Medina; date and place not given]

[Text] While dozens of ships crisscross the oceans and teletype machines in the principal capitals of the globe announce the conclusion of new commercial transactions, a veritable swarm of officials and experts arises each morning, has breakfast and reads the most important newspapers before entering the complex world of international markets.

The tireless work of these men is absorbing and meticulous, because modern-day trade is much more than buying and selling. One needs a very fine nose, extreme tact and complete mastery of a vast flow of technical information. One must foresee and evaluate ad infinitum because as time passes, the simplest step taken in this business has become as professional an act as building an impressive bridge or rooting out the innermost secrets of nature.

These are the presupposed practices of our time. They enable us to cross geographic distances and language barriers so that goods purchased in the most dissimilar nations will arrive at their destination on time and so that shipments of products sold to other countries will complete their export route successfully. However, in the best of cases, this is already a fact.

## Foundations

Any stroller on La Rampa in Havana and happens to glance up at the two rectangular buildings rising above the sea wall where Calle 23 ends -- or begins -- will be looking at, however unwittingly, the heart of Cuban commercial operations. For many years, this has been the home of the Ministry of Foreign Trade, 18 import-export firms and other offices where over 3,500 employees work.

The vast network which Cuban foreign trade has constructed around the world starts here and extends over four continents. Cuba now trades with over 100 countries and this whole universe of borders, customs controls and constant commercial comings and goings can be reproduced, step by step, on the chart papering one of the walls in the office of the minister of foreign trade. Each one of our 35 commercial offices abroad is properly marked thereon.

Pausing in his work, Ricardo Cabrisas has agreed to talk about the expansion of Cuba's foreign trade. Rather than an interview, the dialog with the minister takes on the shape of a long account in which facts and figures are complemented with the necessary definitions.

[Question] What is our foreign trade based upon?

[Answer] "In our country, foreign trade is an essential element of the relations of socialist production. It is a state monopoly and its planned nature determines the role it plays in the development of the national economy, as an indispensable complement to production, accumulation and consumption in the country.

"But foreign trade does not merely play a passive, complementary role. The structure of imports and exports and the amount of foreign trade are also results of taking advantage of the international division of labor and the attempt to increase the efficiency of the national economy through specialization in types of production that are much more profitable for the country, the replacement of imports and the concentration of imports on items and raw materials we do not possess and products of more advanced technology.

"The increase in our foreign trade is obvious. During the 1976-1980 period, it rose 9.8 percent and last year alone, it amounted to 8,525,800,000 pesos, 45 percent over the 1976 figure and six times the amount of all commercial trade in 1959."

Judging by the information that the minister offers, without any possible doubt, Cuba today has a dynamic foreign trade sector that operates on planned, solid foundations. Our markets are becoming more diversified and we are gradually eliminating the barriers of our internal limitations and the lack of products and equipment that we cannot manufacture. Our growing integration into socialist economies is a solid guarantee for the coordinated growth of commerce and development in general.

Generally speaking, no country -- much less Cuba, with its open economy -- is free from the problems which the big capitalist nations impose on the course of commercial trade. The search for bigger profits, attempts to dominate through control over and marketing of natural resources and manufactured products are objective factors of the commercial policy of developed capitalist nations, and the unequal, anarchistic and spontaneous exchanges that they generate has not been successfully regulated, despite all the efforts made by international organizations.

#### Great Changes

Over the last 20 years, changes in geographic distribution have had great influence on Cuban foreign trade. In 1959, trade with capitalist countries represented 99 percent of all our operations and of these, four-fifths were with the United States. And yet, last year, trade with the socialist camp made up 73 percent of the total amount. Markets are diversifying and today we trade with all the developed capitalist nations except the United States. At the same time, our commercial relations are rapidly expanding with the so-called Third World countries.

We now have new types of exports, although sugar retains its supremacy as our basic product. While in the past, the majority of our imports included consumer goods, luxury items and a number of canned foods, over the past 5 years, machinery and equipment, fuels and lubricants have made up more and more of the total volume of imports. "Consequently, we are ensuring the country's agricultural and industrial advancement," I was told by Cabrisas, as his hands gave greater expressiveness to his arguments.

#### Imports 1980

<u>Main Suppliers</u>	<u>Percent of Total</u>
USSR	62
German Democratic Republic	4
Japan	4
Bulgaria	3
Spain	3
France	3
Canada	2
People's Republic of China	2
Czechoslovakia	2
Federal Republic of Germany	2

#### Exports 1980

<u>Main Buyers</u>	<u>Percent of Total</u>
USSR	57
Mexico	5
German Democratic Republic	3
Bulgaria	3
People's Republic of China	3
Canada	3
Iraq	3
Japan	3
Algeria	2
Czechoslovakia	2

The following question came after a pause in his remarks

[Question] How is your balance of trade?

[Answer] "The Cuban balance of trade has been affected by three basic factors: first of all, the accelerated growth in import needs, resulting from the improved standard of living and the investment program carried out by the Revolution.

"Second, the development of our exports, which in many cases have been affected by the inefficiency of agricultural production -- which is subject to climatic factors -- the long period of maturation required by certain investments aimed at creating exportable funds, and also, the blockade to which our country is subjected



by the United States. Third, we have the variations in sugar prices on the world market, which has created an instability in income from our exports, although to some extent, this is compensated for by the stable income from our sales of sugar and nickel to socialist countries at favorable prices.

"In current prices, our trade balance has shown a deficit except for certain years when the price of sugar has made it possible to make up for our increasing imports, made worse by world inflation and the extraordinary rise in prices. Nevertheless, Cuban trade policy has been aimed at maintaining a balance making it possible to meet our financial commitments to the capitalist area. Despite campaigns waged against us, Cuba enjoys well-earned prestige thanks to the faithful fulfillment of its obligations.

"With respect to the socialist area, there is generally a commercial deficit, mainly with the Soviet Union, as a result of the aid given to us in making major investments such as the program to develop the sugar industry, the energy infrastructure, roads and irrigation, and support in other important fields: nickel and oil refining, among others. These deficits are made up for through credits offered to us by the socialist countries, mainly the Soviet Union, with advantageous conditions."

#### Trade With Socialist Countries

"Commercial trade with the socialist countries will increase over the 1981-1985 period over 30 percent, compared with the preceding 5-year period," Cabrisas told me. He then went on to enumerate the factors making that trade mutually favorable:

Medium-range coordination of commercial plans and agreements: Medium-term planning of trade resulting from the coordination of the national economic plans of countries belonging to CEMA creates stable conditions for mutual trade. It makes it possible to expand the list of products in a planned fashion and ensures that the countries will have their supplies, without being subject to the contingencies of the anarchistic capitalist market.

Credit facilities: In order to finance the purchase of complete plants, these countries grant us "soft credits" -- that is, long-term payment periods at low interest rates, substantially under those governing international markets.

Special price conditions: Correct and remunerative prices have been set for Cuban exports of sugar, nickel and citrus fruits, of a preferential nature in keeping with the decisions of the 30th CEMA session. Cuban imports are covered by a price formula making it possible to attenuate abrupt variations in prices on the world market.

No deterioration in terms of trade: Our terms of trade remain proportionate to price increases for imports and exports. This is a very important factor, which is accompanied by the broad economic, financial and technical cooperation offered to us by the socialist camp.

Europe: Main Supplier

Geographically speaking, most of our imports come from the European continent. Last year, we purchased 89 percent of our imported goods and products from that part of the world.

Among the main suppliers in 1980 were: the USSR, the German Democratic Republic, Japan, Spain, France, Canada, the People's Republic of China, Czechoslovakia and the Federal Republic of Germany.

Our imports are following a rising trend. Will they continue to do so in the future?

The minister replied: "They should increase, although the guideline will be to obtain the greatest possible number of products now coming from markets in convertible currency, if they can supply them, which implies a continuous increase in trade with CEMA nations. In addition, we shall move toward the replacement of imports by national production.

"During this 5-year period, one of the main lines of work for foreign trade is to guarantee the importation of consumer goods and food products, as well as to achieve an increase in durable goods. We foresee an average annual increase in imports that will be lower than the overall growth in the economy (the latter is set at 5 percent annually). For exports, the trend will be toward greater volume, which will improve the country's trade balance."

[Question] Can we speak of preferential markets for our exports?

[Answer] "At the present time, the largest share of our exports goes to the socialist area. In 1980, the value exported to those countries rose to 68 percent of the total, although our trade, as we have said, has diversified greatly in recent years. For example, the ten major importers of Cuban products last year were the USSR, Mexico, the German Democratic Republic, the People's Republic of China, Canada, Iraq, Japan, Bulgaria, Argentina and Czechoslovakia.

"Prospects for Cuban exports are promising."

[Question] In addition to traditional products, what do we export?

[Answer] "Over the past 5 years, we have incorporated more than 100 new products into our exports, mainly as a result of the country's industrial development. In 1980, these categories represented approximately 6 percent of the total exported value. That is low, but it is not a negligible figure because this is an activity that is just beginning and viewed in the proper perspective, it carries decisive weight, especially when, despite the control exercised by the transnational firms and the rigorous competition, our products are well accepted on the world market.

"We are exporting certain industrial articles mainly to the developing countries: cement, textiles -- woven goods and ready-to-wear garments -- batteries, detergents, electric cables, pressure cookers, spare parts for the sugar industry, and

other products. This year, for example, we shall have some chlorine available. We intend to gradually introduce certain products in our trade with the socialist countries. The opening of these markets has a political meaning for us, since it is the result of the country's economic and industrial progress."

[Question] Are we truly prepared to embark on the path of these exports?

[Answer] "That is not an easy task. It requires the coordination of a large number of factors and the market is demanding. There are many links in the chain. The success of exports is somewhat similar to what happens in a marriage: If the producer does not understand the problems of the exporter, it will be very difficult to try to adjust the features of his production to the interests demanded by the market. In turn, if the exporter tries to market only what the customer asks for, without considering the limitations that industry might have, the product will not be sold. There has to be a complete identification of interests.

"An export forum was held last year in order to seek out this necessary identification of producers and marketers. The results were very good and this year, we intend to have another one. We can follow this path to the extent that it is generally a question of products planned for in our development and that usually have exportable surpluses.

"There is also another possibility: the circumstances existing on the market. That is where foreign trade must play an ever increasing role, especially with respect to the linking of industry to international markets. It is very likely that we shall have idle capacities in a given industry and that we shall be able to find customers interested in that type of production, while in turn ensuring that others will supply us with the raw materials needed to make that product which is in great demand on the market."

#### Big World

The policy of increasing our imports from the socialist area and replacing some of them through development of national production tends to reduce trade with capitalist countries in relative terms, but only proportionately, because the projected overall growth of our trade will mean that in absolute terms, it will also increase.

To date, the basic lines of exports to those nations have been sugar, nickel, tobacco, fish and seafood and cement. Imports include grain, medicines and pharmaceutical raw materials, insecticides and weedkillers, textiles, machinery for different branches of industry, accessories for agricultural equipment and automotive transport vehicles, buses, and so on.

The most important commercial transactions in this area have been in 1980 with Canada, Spain, France, Switzerland, the Federal Republic of Germany, the United Kingdom, Italy, Holland, Sweden, Belgium, Finland and Austria, in that order.

With respect to underdeveloped countries, our trade last year amounted to some 748 million pesos, representing 9 percent of all trade. We export much more than we import and the operations included nations in Latin America, Africa and Asia.

"In the trade structure with this group of countries -- with which trade is in convertible currency -- our growing ability to export industrial products is important," Cabrisas specified, "as are our limited possibilities of importing the goods offered to us by those nations.

"From the standpoint of our commercial policy," he added, "we are interesting in increasing trade between developing nations because the principle behind it fits in with the spirit of cooperation and mutual benefit and a strengthening of the independence of nations vis-a-vis the monopoly exercised by capitalist companies on the markets of nearly all countries in the so-called Third World."

#### Cuban Expansion: Work of Years

It is not by any accident that one-third of the employees of the Ministry of Foreign Trade are young technicians. This rejuvenating trend is also part of the qualitative changes occurring in Cuban commercial expansion of recent years.

"Since the beginning of the monopoly over foreign trade in 1961," the minister recalled, "one of the first steps taken was the creation of a school to train upper-level personnel. From that school, which is now the Institute of Foreign Trade, over 3,000 comrades have graduated. It is a requirement for all technical workers in the ministry to take the courses offered there. In addition, it trains intermediate-level personnel in foreign trade. These are students who have graduated from the basic secondary schools and who can thus continue their university studies."

In addition to the technical instruction of personnel, ever more qualified, a substantial portion of the ministry's workers remain in that activity, synonymous with experience. Figures confirm the fact: Some 37 percent have been in the sector over 37 years and another 29 percent have been there over 5.

As I reviewed the statistics, Cabrisas smiled, euphoric and even somewhat surprised by data and proportions which, although he was familiar with them, are encouraging every time they are reviewed and mentioned. "Over half of our workers are women," he pointed out, "and not only that: They also make up one-third of our managerial personnel: directors, deputy directors, department heads, specialists...."

Along with the men, women are also finding a place for their work outside the country, in our main world markets, where the commercial offices are the agencies of all the activity as a great driving force. Since 1978 alone, seven new offices have been opened up: in Angola, Finland, Ecuador, Nicaragua, Iraq, Libya and Syria. The total number: 35, is considerable and not exaggerated. The minister explained the reasons:

"In addition to the commercial offices, we also have representatives of government enterprises in some countries. This structure was imposed on us by the blockade since very often, even with money in hand, we could not solve the problem of



imports. Consequently, it was not only necessary, in many cases, to sign a contract, but also, to have a man on the spot to oversee execution of the contract.

"Basically, it was beginning in 1972-1973 that we began to have difficulties as the volume of our trade grew. We needed more personnel to carry out the administrative supervision of contracts, at the expense of their real function as representatives of enterprises: finding and guaranteeing the best options for trade.

"Since that time, we have worked out the scheme of joint ventures or clearly Cuban firms occupied with exports and imports. There are many advantages because in this way, many resources are rationalized. We appoint a good, competent director and for all operations, we use native traders of the host country who have naturally mastered the language and marketing channels. We have permanent, specialized personnel there.

"Another factor is that international trade has gradually ceased being contained within borders, and while commercial offices operate by country, the firms are involved in the specific product markets."

The story is a long one, sprinkled with anecdotes and obstacles overcome through great effort. The figures and data that tell of difficult times or origins of Cuban foreign trade must go back to the peace of the archives, but they remain alive in the personal memories of those who lived them. Time goes on, however; trade does not stop and perhaps some very important matter is awaiting the minister on his desk even now. For two hours, we had traveled a large part of the world and reviewed its events in an itinerary that had actually required two decades to be completed.

#### What We Exported Last Year

Raw and refined sugar, processed honey, natural alcohol, nickel oxide plus cobalt, nickel sinter plus cobalt, nickel sulfide plus cobalt, copper concentrate, refractory chrome, bentonite, fresh and frozen fish, lobster, shrimp, canned fish, twisted and leaf tobacco, cigarettes, oranges, tangarines, grapefruit, lemons, pimentos, potatoes, fruit in syrup, fruit juices and nectars, fruit creams, concentrated fruit juices, ketchup, tomato juice, natural and artificial flavorings, forest seed, horses, fresh eggs, beeswax, bulk honey, bottled honey, yeast, coffee, processed tripe, caramel, cocoa butter, ground antlers and hoofs, bottled and bulk rum, creams and cordials, artificial wood boards, grey cement, cut and bulk marble, glazed color tile, grooved tile, thermos bottles for artificial insemination, pressure cookers, aluminum household items, coffee pots, paper and cardboard by-products, by-products of other materials, human protective gear, electric wire and cable, stoves, refrigerators for home use, underwear, clothing and ready-to-wear, lenequen cord, woven goods of cotton and mixed fibers, ambary (kenaf) bags, newsprint, detergent, egg trays, typical handicrafts, sporting goods, notebooks, plastic toys, dry batteries, radio receivers, corrugated steel bars, steel wire, scrap iron and other scrap metals, semi-trailers, tires and innertubes for transport vehicles, medicines, medicines for veterinary uses, pharmaceutical raw materials, ampoules, bottles, electrical equipment, fishing boats, film, television programs, machinery and equipment for the sugar industry, magnetic tapes, phonograph records, printed music, art plates and reproductions, books, magazines, newspapers, cultural items, postage stamps, machetes and knives, glycerine, carbide, and light cardboard for corrugated cardboard.

11,464

CSO: 3010/38

## SPEECHES AT CANCUN SUMMIT REVIEWED

## French President Speaks

PA231515 Paris AFP in Spanish 2206 GMT 22 Oct 81

[Text] Cancun, Mexico, 22 Oct (AFP)--President Francois Mitterrand said today in Cancun in front of the other 21 chiefs of state and government attending the north-south conference that, to France "the most essential thing is to contribute to the unity of the world which is also ours, with the greatest respect to its differences."

"We have come to this conference in Cancun with the intention to contribute to its success which will be assured if everybody here contributes with an open spirit and greater care in the definition of its methods," the French President added.

Referring to methods, the French President asked three questions: What is the meaning of global negotiations? What is the definition of an energy program? Must we choose between the spontaneous development of trade and the organized expansion of aid?

Regarding the first point Mitterrand said: "I want to say now, that I believe that nothing will be achieved if things are not brought completely out into the open. These include the needs of the south and north, the permanent structural factors as well as passing circumstances. However, he said that it would be unwise to attempt to multiply bureaucratic instruments and create new services before we have taken full advantage of the existing services, reforming them if necessary." [quotation marks as received]

Regarding the energy program, the French President recalled that the World Bank had proposed five solutions: creation of an energy branch, financing, lines of credit, trusteeship fund and classic loans, all without excluding other measures.

Mitterrand said that he would give his opinion on the matter, "if we accept that we are in agreements on the creation of such a program. Let us avoid restrictions on the extent and quantity, without limiting ourselves to a preestablished formula. This is our opinion on the matter."



Finally, considering the alternative of choosing between spontaneous development of trade and the organized expansion of aid, Mitterrand said:

"Wouldn't it be better to work out an agreement so that we can replace an imposed relationship, between forces, which has brought no solutions, with an intelligent and organized approach?"

The French President added: "We shall achieve nothing unless we frankly consider the extremely precarious situation of the countries which produce raw materials. Some of these countries depend on the production of a single raw material and are subject to speculation and not to the laws of a free market. They are pushed here and there by the fluctuations in the exchange rates. Because of this situation they are unable to commit themselves in lasting codevelopment contracts. We believe that this is one of the main problems."

#### Britain's Lord Carrington Comments

FL231034 Bridgetown CANA in English 1938 GMT 22 Oct 81

[Report by Harvey Morris]

[Text] Cancun, Mexico, 22 Oct (CANA-REUTER)--Britain's Foreign Secretary Lord Carrington has said here that the world community had a moral obligation to close the gap between rich and poor. Speaking yesterday at a press conference, which foreign aid experts said marked a big step forward in Britain's commitment to Third World development, Lord Carrington declared: "We've got to redress the disparity between rich and poor." He was outlining Britain's position at the 22-nation north-south summit on world cooperation and development which opened here today.

Lord Carrington said there were three reasons why the poverty gap must be closed-- "one, because it is morally right ... two, because it is in our interests ... three, because its necessary, because we are one world." He defended the record of Britain's conservative government which has been criticized by its partners in the industrialized world this year for cutting aid in the face of a domestic recession. He said that Britain was the fifth largest aid donor in the Organization for Economic Cooperation and Development (OECD), which groups the rich, northern hemisphere countries.

Lord Carrington will act at the summit as chief adviser to Prime Minister Margaret Thatcher, a close ally of U.S. President Ronald Reagan on many foreign policy issues. He said today that Britain endorsed Mr Reagan's appeals for increased world trade to help Third World development. But he added that Britain still appreciated the necessity for direct foreign aid. "The British view is that it is essential for some of the poorest countries of the world. They have no other sources of borrowing," he said.

Lord Carrington also expressed British backing for two proposals on which the White House has been lukewarm--the establishment of an energy affiliate of the World Bank to finance the Third World's energy resources and the concept of global negotiations within the United Nations on alleviating the plight of the poor "south." He said the non-oil producing Third World now had great difficulty in financing energy production. The Cancun summit would provide an opportunity for discussing ways of changing this situation and of defining the scope of global negotiations on energy and other topics.

Lord Carrington said Britain opposed pressures towards protectionism in world trade, but he added that it had to balance the benefits to the poor of cutting tariffs on imports with the need to protect its own recession-hit industry.

Commenting on the absence of the Soviet Union from the summit, he said: "It is rather sad that one enormous bloc in the world is not concerned with what's happening in the developing world." The Soviet view that Third World poverty was the responsibility of the former colonial powers was wearing a bit thin, he said. British aid to the Third World amounted to more than the contribution of the entire Soviet bloc.

#### Venezuela Urges UN Role

PA232340 Paris AFP in Spanish 1755 GMT 23 Oct 81

[Text] Cancun, Mexico, 23 Oct (AFP)--Official sources at this conference have reported that at the north-south summit Venezuela has proposed the strengthening and use of the United Nations as a forum for general negotiations on economic matters between the Third World and industrialized nations.

This proposal was made in a document entitled "Problems of the Developing Countries From a General Point of View." The document was given to the delegates of the 8 industrialized countries and of the 13 Third World countries, meeting here since last Thursday to exchange points of view in an effort to create conditions favorable to the adoption of specific measures to pull the north-south dialogue out of stagnation.

Venezuela cautioned the developing countries that general negotiations in the United Nations must be accompanied by a more broad and profound cooperation. This cooperation, in the opinion of the Government of Venezuela, will back efforts aimed at diminishing the vulnerability of the Third World countries in the international economic crisis, to establish better balanced relations among developing nations and to replace dependency with authentic interdependence.

Venezuela believes that the problems of the least developed countries "are chronic and more serious because of the unfavorable evolution of the world's economy" and they require special solutions.

The Venezuelan document states that the slow growth of the countries of the OECD of Europe, "has resulted in protectionism, and in the blocking of Third World markets that have been in the past a most dynamic, although uncertain and insufficient, source of growth."

The document also states that the oil price increase has further aggravated the problems of the Third World countries that import crude oil and "depend on expanded markets in the industrialized countries and on the possibility of having access to them and to the aid and credit institutions of those countries."

Venezuela believes that given the present world economic situation and that which will prevail in the foreseeable future, developing countries, to reach their objectives of long-term development, must increase their investments in the industrial sector, in food production and in replacing obsolete capital assets.

Venezuela also noted that the inability of the developing countries, especially those with a medium-level of income, to finance a balance of payments deficit, would result in a diminishing of purchases of manufactured products from the industrialized countries.

Venezuela noted that maintaining the level of exports to the developing countries by increasing imports of resources, would contribute to the stabilization of a growing demand thus contributing to growth.

The document states that to support the development of the world's productive base, the bases of the north-south economic relations must be changed. The document believes that changes and a restructuring in industrial production are necessary for a national evolution of the international division of work and the continued expansion of productivity.

Venezuela believes that the energy problem is closely related to the international financial and monetary situation and to the radical disparity that exists between the developed and the developing countries.

In conclusion, the document states that in order to reach social and economic objectives, it is essential to establish an adequate and secure food supply in the world that should include fast production in the developing countries.

The Venezuelan document states that general negotiations must be carried out in the United Nations, which must be strengthened as the most adequate forum for that purpose.

#### Venezuelan President Speaks

PA231644 Madrid EFE in Spanish 0128 GMT 23 Oct 81

[Text] Cancun (Mexico), 22 Oct (EFE)--Venezuelan President Luis Herrera Campins has said that he is in favor of a "comprehensive negotiations to build a more stable, harmonious, just, participatory world, that is, a world of peace."

He made this statement during his speech at the first session of the international cooperation and development (north-south) conference that began today in Cancun on the Mexican Caribbean.

On another subject the Venezuelan chief of state defended the position of the OPEC whose actions, according to Herrera Campins, are directed toward creating stability in the world economy.

Herrera Campins also spoke of the indebtedness "that burdens the developing countries, a problem that requires an urgent solution, not only for the developing countries but also for the well-being of the world economy."

Herrera Campins pointed out that, for many countries, debt servicing absorbs up to one-fourth of their income from foreign exchange to the detriment of their development plans. Therefore, any contribution toward easing the debt "is more important than any other contribution to world peace."

The Venezuelan chief of state says that he does not have very many expectations regarding the Cancun summit because the length of the meeting does not allow time to deal with all the problems. He added that the challenge to those attending this meeting is to take the first step toward a comprehensive and coordinated dialogue.

The president concluded by pointing out strongly that Venezuela has been granting financial aid to many southern countries, aid equivalent to six or eight times the average disbursement of the developed countries.

#### PRC Premier Addresses Summit

FL232050 Mexico City NOTIMEX in Spanish 0305 GMT 23 Oct 81

[Report by Enrique Alvarez Manilla]

[Text] Cancun, Quintana Roo, 22 Oct (NOTIMEX)--Speaking at a plenary session of the north-south summit which is being held here, PRC Premier Zhou Ziyang said that it would be very difficult to ease tensions between the north and the south if the developed countries persist in maintaining unjust, unfair relations with developing countries and if cooperation is not based on a reorganized international economic order.

He said that the world is now confronted with two major problems: first, to preserve peace; and secondly, to foster development. These two are inseparable, interrelated factors. He noted that should the meeting that began today result in a reorganization of the international system of economic cooperation, it would have made a basic contribution to promoting world peace.

He noted that most developing countries are experiencing a serious financial crisis as a result of the external obstacles of all kinds they have to face. He said that oil exporting countries themselves face difficulties in implementing their industrialization programs due to monopolistic practices prevailing in the areas of technology, trade, and financing and to maneuvers on international markets.

He added that most of these nations have been the victims of a long colonialist, imperialist domination which forced them into the present unjust, unfair system of international economic relations.

The PRC premier also said that the developed countries have been enduring recession and inflation--which have a social impact on their domestic sectors--because the prosperity of the rich countries was based on the poverty of the poor countries.

He proposed a plan designed to promote cooperation for development based on five principles which the assembly agreed to discuss later. First, he proposed that effective support be given to developing countries to reactivate their economies, to strengthen their independence, to promote their self-support [retroalimentacion] and that the present international economic order be reorganized taking into account the most urgent problems.

He also proposed that the developing countries adopt development strategies which are in keeping with their own realities, based on respect for their sovereignty and self-determination. Finally he expressed the need to maintain the growth of the world economy and to discuss and to start global negotiations within the United Nations as soon as possible.

#### FRG's Genscher Speaks

FL231455 Bridgetown CANA in English 1337 GMT 23 Oct 81

[Text] Cancun, Mexico, 23 Oct (CANA-REUTER)--West Germany urged the United States and other industrial nations today to open global negotiations on economic problems with the Third World to avoid political tensions that could be exploited by the Soviet Union. West German Foreign Minister Hans-Dietrich Genscher told the north-south summit that industrial nations must avoid letting East-West tensions spill over into north-south relations.

He said developed and developing countries must agree to reform trade relations and avoid protectionism. The industrial countries had to help the Third World by reducing inflation and restoring growth in their own economies in order to be able to import more, he said. Both developed and developing nations had to join forces to end famine and the rich should help the poor to develop new energy resources instead of oil, he said.

The scope for energy development is enormous, West Germany's Economic Cooperation Minister Rainer Offergeld told reporters. According to some estimates, African countries have only tapped 3 percent of potential hydroelectric resources, he said.

#### Report on Energy Topics

FL241730 Mexico City NOTIMEX in Spanish 0107 GMT 24 Oct 81

[Excerpts] Cancun, Quintana Roo, 23 Oct (NOTIMEX)--During the third plenary session of the north-south summit held today, the participating chiefs of state agreed in noting the need for establishing a system of cooperation among states to face up to the energy problems, summing up what had taken place this morning during the third plenary session, the spokesman for the copresidency, Mexican ambassador to France Horacio Flores De La Pena and patrimony secretary Jose Andres Oteyza, reported that the topics discussed were financing and energy.

They explained that it had been agreed to create cooperation schemes which would help to lessen the impact that the payment of large sums of money for the purchase of petroleum has on developing countries having no hydrocarbons.

They reported that the general opinion of the chiefs of state was that an attempt should be made to strengthen international monetary and financial institutions now in existence and to provide them with greater resources so that they may be able to optimize their operations.



The chiefs of state also opined that the high cost of financing is the culprit of world recession, both in rich and poor countries. Within the scope of this problem, it was noted as inadmissible the imposition of conditions of behavior on countries requesting loans, because it would constitute a transgression of their sovereignty and would affect their economic, political and social structures.

The majority of the chiefs of state agreed to examine the possibility of creating, within the framework of the World Bank, a subsidiary which would handle the financing for the purchase of energy by developing countries.

JLP: Summit 'Highly Positive'

PA252159 Madrid EFE in Spanish 0254 GMT 25 Oct 81

[Text] Cancun, Mexico, 24 Oct (EFE)--Because of its very nature, the international meeting on cooperation for development was "highly positive," Mexican President Jose Lopez Portillo commented here today.

During an impromptu news conference held at Cancun's international airport, where he bade farewell to the "summit" attendants, the Mexican president said that the meeting had been "the resumption of something previously interrupted."

"Communication between the industrialized and the developing countries" was established, he added. According to him, prior to the meeting, "there was no awareness that we have a common problem, a problem which had to be attended to by everyone."

Lopez Portillo said that there were some who had expected that at the end of the Cancun meeting, "sandwiches" would be distributed "among all the hungry." He explained, however, that that is not the way to evaluate things. Instead, he noted, the existence of a general problem has been acknowledged in principle.

By the end of the meeting, he added, "the groundwork has been laid and steps will be taken this year so that international negotiations"--to be held at the international organizations, specifically at the United Nations--"will begin to be revised." This "in itself" he felt, "constitutes a great victory."

The president, who cosponsored and copresided over the Cancun meeting, admitted that the analysis of the international negotiations will take a long time. He also admitted that "the developing countries hold one position, while the United States and the developed countries hold another."

Lopez Portillo felt that, in any event, these are methodological and procedural problems for which "we fortunately found a very broad formula that unites the knot."

Regarding the moral commitments that Mexico might acquire as seat of the conference, the president stressed: "When we called this meeting at which to express our political will." [sentence as printed]



However, he said that Mexico is willing to participate in global negotiations and to assume its responsibilities, particularly in the energy field.

Regarding the energy field, Lopez Portillo said that Mexico, as an oil producing nation, is willing to abide by the discipline of rationalization entailed in the world energy plan by the parties which join this plan. [as received]

He also said that Mexico promises to participate in all the commitments established in all the pertinent forums on food, financing of trade, energy and others. "Mexico," he noted, "is willing to do its share."

On another topic, Lopez Portillo commented that the bilateral meetings he held with various chiefs of state who attended the "summit" were conducted to discuss matters specifically related to the north and the south.

Lopez Portillo added that "the spirit of Cancun" was of conciliation and understanding which resulted in a political will that will cause events to unfold."

"This political will," he concluded, "what does it mean? What are we willing to do to solve this problem that has been identified? What are we willing to do? Through whom are we going to act? This is the spirit of Cancun and I am very pleased."

CSO: 3010/124

## GOVERNMENT SEEKS CLOSER TIES WITH CARIBBEAN

FL222053 Bridgetown CANA in English 1655 GMT 22 Oct 81

[Article by Reudon Eversley]

[Excerpts] Bridgetown, Barbados, 22 Oct (CANA)--Nicaragua is stepping up its efforts to forge closer ties with Caribbean community countries and might, in the future give consideration to applying for status within the regional integration movement--CARICOM.

According to the country's alternative permanent representative to the United Nations, Senor Alejandro Bendana Rodriguez, these efforts are in keeping with Nicaragua's international thrust as fashioned by its new foreign policy.

Senor Bendana is now here on the third leg of a four-nation regional tour having already visited Guyana and Suriname. Today he moves on to Jamaica.

Speaking to the CARIBBEAN NEWS AGENCY (CANA), the top Nicaraguan envoy said the main purpose of his trip was to communicate his government's desire to come closer to the region and also to discuss the possibility of establishing diplomatic relations with Guyana, Suriname and Barbados. Nicaragua already has such relations with Jamaica. "Although we have talked together in the various international forums, we never had diplomatic relations with these countries," he said. "We also wish to learn more about the political and economic development of the countries in the region."

Speaking on developments in strife-torn Central America where his homeland is located, Senor Bendana said the United States was seeking to give the impression internationally that the popular insurrections in Guatemala and particularly in El Salvador, were the result of "a great international communist conspiracy."

He dismissed as "fabrication" allegations that his country was exporting its revolution by delivering arms to the freedom fighters in the warring states. "What we have imported," he declared, "is the example of our revolution because when other neighboring peoples see the improvement in the conditions in Nicaragua, they want them also for themselves." Senor Bendana said the only foreign involvement and interference in the area was coming from Washington in the form of arms shipments and military attaches to prop up and give advice to the beleaguered governments. He referred too to the recent joint military exercises between the United States and Honduras which his government had strongly condemned.

He went on to warn that if a peaceful and just solution was not found to end the conflict, there was a danger of the conflict escalating into a regional war, most likely involving the United States and Cuba.

On the proposed elections to be held next year in El Salvador, Senor Bendana said present conditions in the country were not favorable for such an undertaking, noting that they could not be free and fair when people could be intimidated by guns.

He expressed his government's solidarity with the people of Belize, another Central American neighbor, in their border dispute with Guatemala and declared that his country was one of the most vociferous in the region during Belize's independence struggle. He said his government would contribute economically to the former British colony, if it were asked and were in a position to do so.

"We repudiate and condemn all threats against that nation's independence," the Nicaraguan diplomat declared. He hoped that the conflict would be solved peacefully and amicably through bilateral discussions. "It is when countries don't show a willingness for dialogue that danger arises," Senor Bendana stressed, adding that this was his government's position on how all border disputes in the area should be resolved.

Speaking on the developments in his homeland following the revolution 2 years ago which toppled the dictatorial Anastasio Somoza regime, he said his government was making great strides in the areas of health, education and employment generation. But he said the greatest achievement of the revolution was the fact that the Sandinista government was able to survive after 2 years, despite beliefs in some circles that it would have collapsed and the open hostility towards it by the U.S. Government.

CSO: 3020/12

## 'LACK OF UNITY' SEEN IN U.S. AREA POLICY

PA180430 Managua International Service in Spanish 0030 GMT 18 Oct 81

[Station commentary]

[Text] One of the commitments made by Ronald Reagan before he was elected to the U.S. presidency was that his administration would speak with a single voice, especially in connection with foreign policy matters. This promise constituted an implicit criticism of the Carter Administration, which was inclined to saying one thing from the White House and another from the State Department, thus creating confusion not only domestically but in the international arena as well.

Nonetheless, the 8 months which have elapsed since Reagan's inauguration, have been characterized by a diversity of opinions, which show a notable lack of unity even though, from the very beginning, the administration issued an order forbidding public statements of any kind by members of the National Security Council.

Even more recently, the State Department has stopped sending envoys to either open forums or conferences where topics such as that of the Salvadoran crisis are discussed. Mainly, this ban seeks to prevent confrontations involving hostile situations. In truth, this is not achieved in the practice.

The different opinions, particularly in connection with the policy to be implemented in the Central American and Caribbean areas, have precipitated a number of questions. First of all, who is responsible for this policy? Second, is this policy outlined by Secretary of State Alexander Haig or by Thomas Enders, the State Department's Assistant Secretary of State for Latin American Affairs? Are these decisions made in the White House or in the Pentagon? Is there, in fact, a regional policy or is this policy geared individually toward each of the countries? Is this only a stand, whose specific implementation depends on the ideological persuasion of whomever is in the dominant position at a given moment?

These questions emerge because, as we said earlier, it is often easy to detect various criteria under which U.S. officials--including, or particularly, those in high-level posts--explain their opinions.

Although there is a common element, which in some way unifies the imperialist will against countries in the Central American and Caribbean areas, observers feel it is very important to establish the orientation, the criterion or the intentions behind the Yankee officials' statements. This should be done in order to determine the exact direction of the empire's general policy.

Observers hold no illusions that some official might disapprove of this policy. A dichotomy is noticeable, however, since there is a certain irrationality, which makes it difficult to understand the true intentions of the United States. In short, high-level U.S. politicians seem to be at odds over the policy they ought to implement toward Central America and the Caribbean. This makes the empire all the more dangerous for our area.

CSO: 3010/154

## RAMIREZ ON DIPLOMATIC MISSION, PEACE PROPOSAL

PA082240 Managua Radio Sandino in Spanish 0300 GMT 8 Oct 81

[Text] Sergio Ramirez, member of the junta of the Government of National Reconstruction, said that the position taken by Nicaragua at the United Nations represents a very significant diplomatic action in the region and that it was aimed at putting an end to the Salvadoran conflict. The revolutionary leader who arrived in Nicaragua from Panama and Venezuela explained at a news conference the reasons for his trip which he considered was a success. He also referred to speech delivered at the United Nations by Commander Daniel Ortega Saavedra, the coordinator of the junta of the government of national reconstruction.

Ramirez said that the junta of the government of national reconstruction considered it necessary to inform the governments of Panama, Mexico, Venezuela, Honduras and Costa Rica of the content of the letter sent to us by the Salvadoran revolutionary forces, which was submitted today to the United Nations by Commander Ortega. Ramirez added that, starting from this proposal, which we hope the Salvadoran Government will consider and which coincides with the position assumed by Panamanian President Aristides Royo at the United Nations and the Franco-Mexican resolution, the Central American region could have more peace and security. Ramirez announced Nicaragua's willingness to promote all political and diplomatic resources at all levels for a negotiated solution in El Salvador. At the same time he appealed to all the governments of the area to realize that it is definitely necessary to have a dialogue in order to have peace in El Salvador.

When asked about the reason of his trip to Panama and Venezuela, Ramirez said that the Nicaraguan Diplomatic Mission held talks with President Aristides Royo and President Luis Herrera Campins with whom they analyzed the current situation in Central America and the solution to the Salvadoran problem as a main factor for detente in the region. They also talked to former President Carlos Andres Perez on the same subjects.

We must be optimistic at this moment and stop thinking that the peace proposal made by the Salvadoran revolutionaries will not be listened to, because the solution to the problem will be beneficial to the stability in the whole region, Ramirez concluded.

CSO: 3010/154



## CONSERVATIVE LEADER COMMENTS ON ORTEGA SPEECH

PA101357 Managua Radio Sandino in Spanish 1800 GMT 9 Oct 81

[Text] Enrique Sotelo Borgen, a top-ranking leader of the Democratic Conservative Party, the only party remaining of the two historic (?parties)--the other was the Somoquist Liberal Party--has said that in general he agrees with the statement made by Commander Daniel Ortega, coordinator of the government junta, in his speech at the UN General Assembly.

Sotelo Borgen especially approves of the proposals by the Salvadoran revolutionary organizations to provide a prompt solution to the serious political, economic and social conflicts existing in El Salvador. However--the rightist leaders always find exceptions when analyzing a position taken by the Sandinist Revolution--Sotelo feels that Commander Ortega was guilty of anti-Americanism. He confuses the term with anti-imperialism, which is a feeling that is deeply rooted in our people and cannot be disregarded.

There is every indication that his subconscious betrays him. Let us listen to conservative leader Enrique Sotelo Borgen:

[Begin recording] Perhaps the only unwise portion of the speech was the constant anti-American stance. I think he should play down or reduce this attitude of open hostility toward the U.S. Government and its policies, since it does not contribute to a lessening of tension. The government should do this, not only because we are countries on the same continent, but also because of economic convenience. The U.S. Government can provide us with large amounts of aid to overcome the deep economic crisis afflicting our nation and these constant anti-American postures, that leave us open to criticism, will not help create opportunities for us.

I think the call for peace and the proposal for a political solution in El Salvador, is very positive and I hope that it will bear fruit. This proposal should allow our brother country to find a path which will truly lead to peace and concord within the Salvadoran family, and will be of benefit for the five central American nations. Peace will provide stability and lead to better relations and a future of cooperation among the five central American nations. [End recording]

CSO: 3010/154

## SOCIALIST COUNTRIES EXTEND LINES OF CREDIT

PA150446 Managua Radio Sandino in Spanish 0300 GMT 14 Oct 81

[Text] The Nicaraguan Government will shortly sign lines of credit agreements for the importation of goods, raw materials and industrial machinery totaling \$60 million. The credits will be granted by Hungary, Bulgaria and Czechoslovakia.

A Czechoslovakia Government delegation arrived in Managua Friday to sign a \$20 million line of credit for industrial textiles and knitting machinery. According to reports, the machinery will arrive in Nicaragua by the end of this year and should be fully operational by 1983. These factories will employ some 400 to 500 persons each. It was reported that the spinning mill will be capable of producing 10 million pounds of yarn a year. Since Nicaragua is a cotton-producing country it will become an exporter instead of importer of this semi-processed raw material.

Nicaragua buys 1.2 million pounds of yarn every year to supply its national textile industry. Sources say that each pound of yarn that Nicaragua buys abroad costs \$2; in other words, we spend over \$2 million to purchase 1.2 million pounds of yarn from abroad.

The lines of credit obtained by Nicaragua from these countries will cover the cost of goods, raw materials and industrial machinery. The agreements will be very advantageous--payable in 1 or 2 years at 8 percent interest.

It was explained that Hungary is granting credits for the importation of raw materials and goods for \$5 million, Bulgaria for \$10 million and Czechoslovakia for \$10 million.

In addition to the lines of credit for machinery and equipment, Hungary and Bulgaria have agreed to each contribute \$5 million and Czechoslovakia \$10 million.

The lines of credit granted for complete industrial plants, will be \$10 million from Bulgaria and \$20 million from Czechoslovakia. Czechoslovakia will provide spinning mills, hosiery factories, finished textiles and tubular knitting machines.

These plants, the source added, will be constructed northwest of Managua near Tipitapa. The agreements also cover the introduction into the socialist community of Nicaraguan manufactured products. It was also learned that a reciprocal goods exchange between Nicaragua and the socialist countries will be implemented. The agreements also include technical-scientific cooperation in order to study the re-

organization of the industrial sector, the rationalization of various branches and the survey of industrial plants.

In other words the existing manufacturing facilities, the integration of industrial systems, the technological level of workers and training of factory workers at home and abroad will be thoroughly studied.

Hungary will assist in the industrialization of the chemico-pharmaceutical industry, Bulgaria in the chemico-plastics and metal-working industries, as well as small industries and Czechoslovakia in the textile and footwear industries.

CSO: 3010/152

## ENVOY AT UNITED NATIONS REPLIES TO U.S. DELEGATE

PA101618 Managua Radio Sandino in Spanish 1200 GMT 10 Oct 81

[Agencia Nueva Nicaragua report]

[Text] Revolutions aren't exported but are born and develop under the conditions of exploitation and injustice which exist in each country, Javier Chamorro Mora, Nicaraguan ambassador to the United Nations, has said in reply to the U.S. delegate's speech yesterday.

U.S. delegate Kenneth Aldeman not only repeated the groundless charges that Nicaragua is exporting violence to Central America but in a frank interventionist attitude, gave opinions on the country's domestic situation, defending the former Somozist guardsmen who, he said, are suffering inhuman prison conditions. At the same time, he tried to show that his government has sought to establish a dialogue with Nicaragua and that they continue to have hopes about achieving this.

The Nicaraguan diplomat replied, saying that delegate (Aldeman) was trying to disregard the times that Nicaragua has tried to establish this dialogue in a serious, honorable and high-level manner. Is it that in the scale of values of the current U.S. administration, dialogue means the search for the political and economic isolation of those countries which, like Nicaragua, want to be truly independent? Must we understand by dialogue the economic destabilization policies which include the use of food as a weapon of political pressure? Is it that by dialogue the Reagan Administration means to permit the training in the United States, specifically Florida, of counterrevolutionaries, most of whom were members of the criminal Somozist guard, a creation of previous U.S. administrations? Is it that dialogue means accusing our country of intervening in the domestic affairs of other states by permitting, according to the United States, the traffic of weapons to El Salvador as was charged in the so-called white paper which the U.S. press exhaustively refuted?

The Nicaraguan official then referred to the irony of the U.S. delegation which asked who is threatened in Central America, trying to implicate Nicaragua in possible invasions of its neighbors and sidestepping the subject of U.S. support of the Salvadoran Government. How is it possible that a country which is at war and in which more than 20,000 people have been killed so far this year, is being armed to the teeth and being supplied with military adversers? How can it be said that this isn't intervention? How is it possible that in an explosive situation such as the one that exists in the region there is a renewal of the supply of weapons to Guatemala and Honduras with whom military maneuvers are carried out near our coasts and weapons are offered to Costa Rica, as the permanent U.S. representative to

this organization did and which led to an eloquent reply from President Rodrigo Carazo who said that wasn't the kind of aid that Costa Rica needed or wanted?

Chamorro Mora added: How is it possible that, although they have the means and capacity to detect the alleged shipments of weapons from Nicaragua to El Salvador, with whom we don't have borders, the United States can't detect the Somozist bands which constantly enter from Honduran territory and which have killed more than 200 Nicaraguans, including literacy workers, peasants, militiamen and members of our army? Is it that they don't want to or aren't interested in detecting them as they should if they really want peace in the area? Is it that they are encouraging them and arming them to prevent the consolidation of a government that they don't like because of the mere fact that it demands respect and just treatment in mutual relations?

Chamorro Mora referred to the sudden concern of the United States about human rights and elections in Nicaragua, a concern that it never seriously had during the 45 years of the Somozist dynasty which it sponsored. Nicaragua, faithful to its policy of nonintervention in the domestic affairs of other states will not comment on the situation of the minorities in the United States which are treated like second class citizens; or will we refer to the effects of the new administration's military build-up on the social programs, thus harming millions of U.S. workers; or will we speak of the practically military measures applied on the air traffic controllers, leaving thousands of citizens without jobs; and we will not speak of the undeclared war against the U.S. labor movement.

Concluding his speech, the ambassador denied that Nicaragua is a factor of destabilization in Central America. He added that on the contrary, new factors of instability are being introduced in the area such as the hawk view maneuvers, while the Nicaraguan Government works for peace. Nicaragua, a country which has been historically exploited by imperialism, is being forced to prepare for defense in the face of the constant aggression and threats of invasion, thus restraining our economic development efforts by diverting human resources to defend our sovereignty and territorial integrity which are now seriously threatened. Nicaragua, Mr President, has not only an army but also armed citizens ready to fight to the end to preserve the freedom they achieved at such a high cost.

CSO: 3010/154

## 'LA PRENSA' REAFFIRMS POSITION, PATRIOTIC INTENT

PA110408 Managua LA PRENSA in Spanish 3 Oct 81 pp 1, 2

[Editorial]

[Text] We have talked to the Sandinist Front and to the government junta about the suspensions of this newspaper in order to thoroughly explain our situation as an independent newspaper.

In order to respect or guarantee this newspaper's existence, the Sandinist Front and the junta demand from us certain conditions of solidarity with the revolutionary process, but they leave us free to criticize. When explained in an abstract manner, these conditions do not contradict this paper's line. However, in view of the existing antecedents, in view of the way our reports, commentaries and criticisms are generally interpreted, in view of the prejudice that exists in official circles against our newspaper--which even when moved by the best of intentions meets suspicion or closed doors--in view of the possibility of making errors or mistakes inherent in any human enterprise, especially if it is a journalistic enterprise; we are not optimistic about LA PRENSA's future in the present situation and under the emergency and press laws which have such ambiguous censorship guidelines that they leave no room for explanations, rectifications or defense.

Our line will not change. LA PRENSA follows a path outlined by the thoughts and ideals of its martyred director, Pedro Joaquin Chamorro. In the present revolutionary situation, we could define this path as democratic, pluralistic, fully in favor of a profound social change that benefits the people but based on Christian principles, respectful of the freedom and dignity of man and brought about with Nicaraguan originality rather than in accordance with Marxist-Leninist schemes. In the international arena, we favor a real, honorable and nationalistic nonalignment.

In other words: We defend and consider ours the revolution proclaimed and defined--with the consent and commitment of all free Nicaraguans--in the fundamental statute which still rules us.

If this firm position is accepted, if LA PRENSA's criterion is accepted as the basis for constant dialogue in which criticism is regarded as an essential element of our revolutionary journalistic position, LA PRENSA will continue at the service of truth and justice, in accordance with its motto.



If the submission of our conscience or the relinquishment of our ideals is desired, both the government and the front hold the power....

All we have is our dignity and our loyalty to principles which we regard as essential to our nationality and its destiny.

[Signed] Pablo Antonio Cuadra

Pedro J. Chamorro Barrios

CSO: 3010/153

## HENRY RUIZ TERMS NICARAGUAN SITUATION 'DELICATE'

PA241839 Paris AFP in Spanish 1855 GMT 23 Oct 81

[By Alfredo Munoz-Unsain]

[Text] Havana, 23 Oct (AFP)--The situation in Nicaragua is currently "delicate" and the government will fulfill its pluralist commitment to democratic expansion "only to the point where the revolutionary power is not endangered," Henry Ruiz, Nicaraguan Sandinist commander and planning minister, warned here.

In an exclusive statement to AFP last night upon his arrival at Havana Airport, the FSLN directorate member announced that the Nicaraguan leaders know that "they seek to take us to the extreme level of provocation, to justify their plans a posteriori."

He explained that he was speaking "of imperialism," whose anti-Sandinist plans are "objectively aiding the ultraleft and ultraright."

He then referred to the arrest in Managua of several leaders of the Communist Party of Nicaragua and of the higher council of private enterprise, COSEP, which includes important Nicaraguan industrial sectors.

With their campaigns, both sectors, which are at the extreme limits of the political spectrum, have created "the danger of discrediting all branches of power in the country and give the impression of absolute destabilization," he said.

"In this manner, they seek to favor the latest imperialist strategy, which is intervention," he charged.

However, the Sandinist leader reiterated that his government "sincerely" wants to establish "serious and responsible, but respectable relations" with the United States, "because we are a free, sovereign and independent nation."

"It is we who demand seriousness in a dialogue that can be conducive to such relations," he said.

He indicated that in the opinion of Sandinism, the industrialists who are hostile to the government policy of development maintain "an attitude of incomprehension" and noted that this is "a deliberately benevolent understatement."

Upon reaching power we found ourselves without either internal or external resources with which to begin the revolutionary program of development, as we estimated that in the last 2 years of the anti-Somozist War the country lost \$1.25 billion between the depletion of capital and the destruction of productive mechanisms, Commander Ruiz stated.

We also found ourselves at the time with 250,000 unemployed, which was one-fourth of the economically active population of Nicaragua, he added.

Despite this, we have been able to increase production to a level that meets the basic consumer demands at least, he stated.

The existing industrial structure was basically one of processing, of industrial goods that were very costly, because merely to maintain them it was necessary to invest three to produce one, he noted.

In addition, the economic crisis is not exclusively Nicaraguan; in truth, it is relatively less severe in Nicaragua than in other Central American countries, the Sandinist leader stated.

According to IDB figures, the situation is far more dramatic in Costa Rica, Honduras and Guatemala, not to mention El Salvador. And the industrialists who oppose us obviously fail to understand all of this, he concluded.

Ruiz, planning minister of the junta of the government of national reconstruction and FSLN directorate member, arrived in Havana accompanying the bodies of the two Cuban teachers, who were killed together with two Nicaraguans in whose house they were staying while conducting their literacy work in a rural mining region.

CSO: 3010/153

## COMMANDER ARCE CRITICIZES COMMUNIST PARTY

PA130218 Paris AFP in Spanish 2220 GMT 12 Oct 81

[Excerpt] Managua, 12 Oct (AFP)--A serious clash between the FSLN and the Communist Party of Nicaragua, PCN, was confirmed here today by commander of the revolution Bayardo Arce, who called the PCN a "pseudorevolutionary group of the left."

At the same time that he accused the PCN of being "disloyal to the people's interests," he analyzed the situation in Central America, which he termed as somber, characterized by "the United States refusal to support a political solution to the Salvadoran War."

During a rally to protest the hawk view military operation, recently carried out by the United States and Honduras along the Caribbean Coast of Central America, ARCE referred to a number of publications by the labor action and unity federation, CAUS, the labor branch of the PCN, in which it says that "the FSLN has altered the political and ideological objectives of the Nicaraguan Revolution."

The CAUS said in its publications that the Nicaraguan process "has taken a turn toward capitalism."

The CAUS also accused the government of promoting a "bourgeois solution" to the current crisis by leading the Sandinist Revolution along the path of capitalist development, especially through direct private investments of Latin American and U.S. businessmen.

According to the CAUS, this alleged distortion of the revolutionary process was advised by Thomas Enders, U.S. assistant secretary of state for Inter-American Affairs, during a recent visit to Managua.

The CAUS said in its publications that "the state of economic and social emergency decreed by the Sandinist Government is aimed at guaranteeing to foreign investors the social peace necessary to favor their activities in Nicaragua."

Meanwhile, Bayardo Arce today said in the Rigoberto Lopez neighborhood in Managua that CAUS accusations are nothing but "actions of sabotage in the rearguard and of disloyalty to the people's interests."

The enemies are not only in the United States and in the rightist regimes of Central America, Arce said, but also in the pseudorevolutionary groups of the left as the CAUS.

CSO: 3010/153

## COMMENTATOR CRITICIZES ROLE OF IAPA, LA PRENSA

PA190406 Managua International Service in Spanish 0030 GMT 19 Oct 81

[Ignacio Briones Torres commentary]

[Excerpts] The 37th assembly of the so-called Inter-American Press Association, IAPA, has just ended in Brazil.

The history of the IAPA, the close ties of its officials with the U.S. Central Intelligence Agency, CIA, the important role it plays in favor of tyrannies and the imperialistic policy it carries out in our countries are well known. No one who is aware of the actions of the IAPA disregards its role. Everyday more people are discovering the pro-imperialistic and anti-popular character of that press which fills the bank accounts of its owners from the advertisement of the transnational companies.

It is not surprising or strange then that the 37th assembly of the IAPA launched attacks against several countries of the continent, countries which work and struggle to change society, to guarantee a life of dignity and to apply sovereign and independent policies. For the IAPA and its officials, dictators are allies in the defense of their interests. One must be aware of this. In the same way, the governments that defend their people from the destructive work of the transnational companies and imperialism are the latter's adversaries, they are also adversaries of the so-called freedom of press in accordance with the commercial model of the IAPA.

We Nicaraguans don't find it surprising that young Pedro Joaquin Chamorro Barrios, codirector of LA PRENSA of Managua, went to the 37th assembly of the IAPA to play the unfortunate role of asking for sanctions against the Nicaraguan Revolutionary Government. In Nicaragua we know the mission that the national and foreign enemies of the revolution have assigned to LA PRENSA and young Chamorro Barrios. However, there might be some listener who could be deceived by the position allegedly in defense of freedom of press which was held by the codirector of the newspaper which here in Nicaragua has become the bulwark of the reactionaries, the voice of the imperialists and tacit ally of the Somozists who want to return the past to the country.

The peoples of Latin America should know that the two biggest and most legitimate organizations of world journalism, the International Organization of Journalists, with 180,000 members, and the Latin American Journalists Federation, with 60,000, give all their support and backing to the Nicaraguan Revolution. This support is the result of a clear and firm position in favor of the people's interests and real freedom for which legitimate newsmen have fought the IAPA for many years.



## PCD'S GUIDO ON NATIONAL PROBLEMS

PA111956 Managua LA PRENSA in Spanish 5 Oct 81 p 5

[Text] Clemente Guido, political orientation secretary of the Democratic Conservative Party [PCD], discussed different aspects of national problems on the "conservatism on the March" program broadcast every Sunday over radio Corporacion.

In an interview granted to Jose Castillo Osejo, PCD coordinator and co-owner of radio Corporacion, Guido discussed the country's domestic and foreign policies.

## Maneuvers in the Caribbean

Discussing international politics, Guido referred to the military maneuvers to be held in October in the Caribbean off the coast of Honduras by Honduran, U.S. and Venezuelan forces. He said:

"There are several factors that must be analyzed in this respect. The first is the concept of sovereignty that other countries may have, and which we naturally have to respect."

"Honduras is a sovereign country and, as such, can offer its territory for any type of maneuvers."

"The United States is sovereign and has been conducting this type of operation in the Caribbean, Latin America, and in Europe. Therefore, these maneuvers are not surprising because the USSR conducts similar maneuvers in the areas it controls."

"The USSR recently conducted such maneuvers near Poland, and said that more maneuvers will be held along the Polish border. However, no one in Nicaragua, neither the democratic nor the government parties criticized these maneuvers. I therefore believe that criticism should be bilateral."

## True Nonalignment

Guido said, "In this respect, I want to express my opinion on bilaterality, which is the basis for being truly nonaligned and not opt for unilateral criticism."

"Furthermore, the United States has said that it will conduct maneuvers, not only in Honduran areas but also in South America, which means that these operations will not be the only ones."

"Therefore, I believe that these maneuvers are not a threat to any nation, unless we claim that the Soviet maneuvers in Eastern Europe are also a threat to Poland or to any other country in the area."

"If I were president, I would not allow any country to conduct maneuvers in our country, because this is my idea of sovereignty. However, we should leave it up to each person's sense of responsibility whether or not to criticize other countries' or peoples' concept of sovereignty when they allow these maneuvers to take place."

#### The Other Imperialism

Guidi said, "I want to stress that in order to be truly nonaligned, we must maintain clear and definite positions. We must criticize both sides and not just one of the sides."

"It is very common and fashionable here to criticize U.S. imperialism, to condemn it for the Vietnam War, the invasion of Korea, or for this or that reason, but Soviet imperialism is not being criticized for invading Afghanistan. Neither is it being condemned for trying to exert pressure on Poland so that it won't make any changes, or to at least allow some strong sectors like Walesa's 'solidarity' movement to adopt the measures best suited for the people."

"We must condemn both imperialisms and let's not have any talk about one of them not being imperialism."

"They both tend to be the same."

#### The CIA and the KGB

Guidi discussed the CIA, which has been in the limelight lately. He said:

"Something else that I have noticed and which is very singular is that here and in other countries in the area, everything that happens is blamed on the CIA."

"It was even said that the CIA introduced the dengue fever virus into Cuba. This is absurd. How could the United States possibly dump virus on an island only 80 to 90 miles away from their own mainland?"

"How could the United States have done this, knowing that the virus might return like a boomerang to Miami, or any other area along the U.S. Atlantic Coast?"

"This is completely absurd. It is ridiculous, as ridiculous as if we were to blame the KGB for everything that happens here and say that like the CIA, it is to blame for this or that, or for the democrats not having elections. It is like saying that the KGB is coming to kill the independent opposition leaders, or that the KGB is trying to kill people in other countries because they do not follow the Soviet line."

#### Politics and Economy

Guido made the following comments on politics and economy:

"The biggest mistake, or one of the many mistakes that the Nicaraguan Government has made is having tackled Nicaragua's problems from a strictly economic viewpoint."

"According to the government, if the economy is saved, the whole country is saved. This line of thought might prevail if we were a nation of shopkeepers and industrialists, or if everything in this country depended on economy, but this is not the case."

"In every nation in the world, not only in Nicaragua, there are two main factors that form the base of the tripod that allows surveyors to examine all areas. Two of these factors are the social and political, the other is economic."

"The economic aspect is only one of the Tripod's legs."

#### The Health Area

Clemente Guido said that the health situation is critical.

"Providing health care for the people is the government's main duty, because if the government does not, health will continue to be a privilege for those who have money to pay for it."

"In education there has been complete neglect in the area of what we could frankly call the formation of the youngsters from the viewpoint of professional education."

"Therefore, the youngsters use most of their class time on political education and not in the basic formation of the student. Consequently, in the next generation we will have graduates who will be good sectarian politicians but very poor and bad professionals."

"We know that the youngsters are even instructed to analyze the Spanish language in literary compositions, speeches or news which we as opponents make against the FSLN, but 80 percent of their professional education is neglected, which should be the real purpose of their studies."

"They are also influenced to use as examples the speeches and proposals of the commanders which are published in the official papers, while the primary bases of every education are neglected."

"Meanwhile, we have no textbooks because the bookstores cannot import them for lack of foreign currency. However, they are bringing in a series of cheap books from the Soviet Union, which in fact create a defined orientation in ideological education to try to raise the consciousness of the student."

"It is also necessary that we once and for all begin to define the rules of the electoral game and to have a clearly defined election law."

"Let it be said clearly what the process will be. If they want popular democracy, then let's have a political party law like they have in systems of people's democracy, but let's have something defined so we can play."

## The Indecisions and Pressures

We cannot continue with the indecisions, said Guido. When an independent political party wants to have a meeting, the mobs are sent against it and the CDS' hold demonstrations 3 or 4 days earlier to intimidate the people to stay away.

"That is no way to govern."

"Governing by force, governing by threats is no way to govern. This is only a way to increase social unrest in this country and to create discontent."

CS0: 3010/153

## VICE PRESIDENT BUSH'S STATEMENTS CRITICIZED

PA142245 Managua International Service in Spanish 0030 GMT 14 Oct 81

[Ignacio Briones Torres commentary]

[Text] International news media reported today on statements made by U.S. Vice President George Bush on the Central American situation. As everybody knows, Bush is currently touring Latin America. This tour includes the Dominican Republic, Colombia and Brazil.

As we all know, Bush was for years director of the notorious CIA. Without deviating one inch from the characteristic line of the present U.S. Administration, Bush blamed the Soviet Union and Cuba for the tensions in Central America and the Caribbean in an effort to hide the capitalist exploitation of our people.

Bush commenting on Nicaragua, urged our enemies and those opposed to the progress taking place in our country, to act quickly to secure so-called liberation. In other words, Bush, the vice president of the United States, has practically called upon the enemies of Nicaragua to carry out armed action, that is, to invade, or attack, our territory.

If there is anyone left in our countries who still does not believe that the Yankees do not have plans to thwart the Nicaraguan revolution, Bush's statement should now put an end to all doubts. When a man of his position makes this type of statement, there is not doubt that he is doing it officially. In other words he is making public his government's anti-Nicaraguan stand, or more precisely, the stand of the Reagan Administration against Nicaragua.

It must be pointed out that this meddling and these anti-Nicaraguan statements were made in the congress of the Dominican Republic, that is, in the midst of that country's parliament--a country with which we have friendly diplomatic relations. This leads us to say that the former CIA director and present vice president of the empire has shown a lack of respect for the Dominicans by attacking a nation that is a friend of his host country.

This lack of respect should surprise no one. Arbitrariness, arrogance and political blackmail are basic characteristics--they have always been the characteristics--of U.S. imperialism.

The Dominican people are aware of the policies of U.S. imperialism and this is what motivated them to demonstrate en masse against the presence of Bush in their country. According to international reports, the Dominican police had to use force to halt the protest demonstrations against Bush. The Dominican people went on the streets not only to demonstrate their solidarity with Nicaragua, but they still clearly remember the attacks on their fatherland in 1965, under the Nixon Administration.

The Dominicans still clearly remember past aggressions which our people have had to endure throughout our history. We point out these two facts to illustrate that there is a real threat of an imperialist aggression in Nicaragua. The vice president of the United States has clearly stated this. There has also been a quick response from the Latin American people to these threats. The Dominican response is an example of this since it took place at the very moment the U.S. politician made the threat.

Bush's statements in Santo Domingo, which confirm the imperialist threat against revolutionary Nicaragua, have found a firm and strong response in the great people's rally that took place this afternoon in the Carlos Fonseca Plaza in Managua. Thousands of Nicaraguans, stating the will of the people, reinforced there the decision to fight in defense of their country--a decision that prevails throughout Nicaragua.

Today, as the people of Nicaragua have been doing throughout their history, the children of Sandino take a step forward to defend the fatherland.

We did it in 1912, in 1926, and in 1979. No one should doubt that this beautiful history of struggle will not be continued in 1981.

CSO: 3010/154



## OPPOSITION ATTACKED FOR POSITION ON 'HAWK VIEW'

PA151807 Managua EL NUEVO DIARIO in Spanish 8 Oct 81 pp 1, 10

[Editorial: "The Incredible 'Malinchism'"]

[Text] From Malinche, the Aztec who was conquistador Cortes' mistress and who served the interests of the conquistadores against her own people, we have obtained the concept of "Malinchism" to describe the conduct of those who serve foreign interests against their own fatherland.

It is a synonym for "Herodism" which comes from Herod, who as a Jew served the Roman Empire and acted as a Roman.

We are mentioning this in view of the statements of some leaders of rightwing parties regarding the "hawk view" military maneuvers and the exemplary speech of Commander Daniel Ortega at the United Nations.

In one case they minimize the significance and danger of the "hawk view" operations. The energetic and concise argument of Commander Ortega, "Because we have an historical right to believe that we can again be attacked," an argument based on the tragic and undeniable history of more than 40 direct U.S. interventions in Central America, slips through their minds and hearts as water over fish.

They also try to use to the advantage of their small parties the specific, just, reasonable and moral proposal for peace in El Salvador, and therefore of peace in the region and Nicaragua, [in upper case] which Commander Ortega made known. They try to link it to their internal political demands with an incredibly selfish spirit.

At a time when Nicaragua, [in upper case] through the coordinator of the government junta, assumes before the world a distinguished international role of leadership for peace, and when peoples of all races and beliefs applaud us, the "opposition" political leaders try to minimize the value of this initiative, linking it to internal political problems which from their viewpoint are reduced to haggling over power.

The political selfishness of those sectors in the face of the revolutionary government's international initiative and their minimizing of the threat of intervention--better read as war--can only be described as "malinchism."

Only in this way can one understand their refusal to support the national reconstruction government's peace initiative and their minimizing of the U.S. threats, two things which encourage the aggression.

Just as Malinche was against her people due to her personal love, they, for their small party interests, place themselves at the service of imperialism.

CS0: 3010/153

## 'HAWK VIEW' INCONSISTENT WITH ENDERS VISIT

PA090232 Managua Radio Sandino in Spanish 1800 GMT 8 Oct 81

[Text] The recent visit made to Nicaragua by Thomas Enders, assistant U.S. secretary of state for Inter-American Affairs, was considered here a reflection of an opening by the Ronald Reagan Administration in its relations with the Sandinist people's revolution in Nicaragua. However, acting Foreign Minister Victor Hugo Tinoco told Radio Sandino today that the hawk view military maneuvers by the armies of the United States and Honduras off the coast near Nicaragua detract from what was considered to be a first step toward the improvement of relations between the two countries.

Victor Hugo Tinoco said that the Reagan Administration has not given a positive response to the proposal of a high-level dialogue made by Nicaragua as its contribution toward improving the relations that are tense at present.

Here are some of the statements made by the acting foreign ministers:

[Begin recording] [Tinoco] We stated from the very beginning in various documents sent to the U.S. Government that those maneuvers were in direct contrast to the spirit that was being promoted through Mr Enders' visit to Nicaragua.

Since the Reagan Administration came to power, Nicaragua noted the need for communication with the U.S. administration. That administration flatly refused to establish high-level contacts. However, Enders' visit had been the first step that presaged an improvement of relations. The problems and our viewpoints regarding the Central American area were discussed in depth. The conditions that were created as a result of that dialogue were highly positive in comparison with the impasse that existed beforehand.

Yet, only a few days after Mr Enders departed, we were informed of the risky maneuvers which are obviously, if not a threat, at least a threatening warning from the United States to the Sandinist People's Revolution. These maneuvers, therefore, are at variance with the spirit that had begun to emerge from the talks. There is absolutely no consistency. A situation is being created in which, on one hand, the U.S. administration seeks to establish contacts with the Sandinist revolution and on the other hand, it is doing exactly the opposite. Obviously, this worries us. We have informed the U.S. administration of this concern.

[Question] Can these maneuvers be considered a (?threat) to Nicaragua?

[Answer] We believe that these maneuvers are threatening and we believe that the significance of these maneuvers will be revealed in the coming weeks as other maneuvers or quote, military exercises, unquote, are carried out as planned. The continuation of maneuvers of this kind would be indicative of aggressiveness on the part of the United States toward Nicaragua. [End recording]

CSO: 3010/154

## CENTRAL BANK PRESIDENT URGES ECONOMIC AUSTERITY

PA102156 Managua Radio Sandino in Spanish 1800 GMT 10 Oct 81

[Text] According to the president of the Central Bank, it is necessary to reduce consumption and increase production in order to confront our current economic problems. The huge burden that the foreign debt places on our economy can be confronted only by reducing consumption and determinedly increasing production. This is the conclusion reached from the detailed report on our country's foreign debt made yesterday by Alfredo Cesar, minister president of the Central Bank.

According to Cesar, this year we will have to pay about \$196 million in interest and amortization on our debts to international private banks. Of this amount, \$148 million is part of the debt inherited from Somozism. The remaining \$48 million represents debts contracted by the revolutionary government.

An idea of the burden that this debt places on our economy is given by the percentage it represents as compared to Nicaraguan exports. The debt service to be paid this year amounts to approximately 40 percent of our exportable total. When added to our oil purchases, 80 percent of our total sales abroad--which have been estimated at about \$500 million--is consumed. It is clear that the only way to successfully resolve this situation is to reduce our consumption of foreign products markedly and to decisively increase production in order to obtain greater revenue.

As for the current shortage of currency for imports, Cesar indicated that this situation is closely connected with the country's current state of economic and social emergency. This means that the importation of those products that are not essential to the function of the national economy must be reduced as much as possible. Efforts must be made to replace these imports with products manufactured here. He added that businessmen will have to adjust to the new situation and will have to dedicate themselves to the marketing of local products. Until now, many of them marketed only imports.

CSO: 3010/152

## TIRADO LOPEZ URGES PEASANTS TO JOIN COOPERATIVES

PA172029 Managua Radio Sandino in Spanish 1800 GMT 17 Oct 81

[Text] Commander of the revolution Victor Tirado Lopez has urged peasants to work the land in cooperatives. Collective exploitation of the land benefits the peasants, Commander Tirado Lopez told the peasants of Wiwili who attended a ceremony to hand out land titles as part of the beginning of the revolutionary agrarian reform program.

Commander Tirado Lopez said that the system of agricultural cooperatives is superior as far as productivity is concerned. He added that joining the cooperatives is voluntary and that the Sandinist peasants must set the example. He also said that the strengthening of the national union of farmers and cattlement must be one of the priority tasks of the agricultural workers who belong to the cooperatives. Here are the words of the Commander of the Revolution Victor Tirado when he addressed the large number of agricultural workers who received their land titles as part of the beginning of the agrarian reform program:

[Begin recording] You are going to work the land collectively as that slogan over there states. This will be done in all the places where agricultural cooperatives have been established. However, it has been difficult to keep the members of the cooperatives united. It is not easy to eliminate from the minds of many companero peasants the established system of individually working the land. We must all fight against that system. We have to eliminate from our minds the individualistic ideas because it has been proven that collective exploitation of land favors peasants more than individual work in a plot which perhaps will never get him out of misery and backwardness. Those who work large areas have the possibility of earning more, of producing more and of applying modern technology. Why? Because it is easier to obtain a tractor or harvester for an agricultural cooperative made up of 20 or 30 companero peasants than to obtain 20 or 30 tractors or harvesters for each peasant. Through the cooperatives we can save technical, human and financial resources. In this way we are applying the Sandinist People's Revolution's policy of austerity and efficiency. [End recording]

CS0: 3010/152



## BRIEFS

GUIDELINE GIVEN TO MEMBERS EXPLAINED--Hermogenes Rodriguez, delegate of the National Union of Farmers and Cattlemen [UNAG], has explained that the guideline given to all UNAG members, organized in more than 2,000 cooperatives, is to plant while shouldering a rifle. He said this is their slogan in the face of the call by the fatherland and that they are with a fighting spirit amid their productive tasks. Rodriguez was interviewed by this station yesterday at the state council offices. He said that they have proposed three goals which must be carried out amid the productive activity: sowing of late crops as well as picking coffee in the regions where it has ripened early. He stressed that UNAG ever since it was founded on 14 December 1980, had requested weapons for self-defense. Rodriguez said: In this call for the general mobilization to defend the fatherland, we can say that most of our members are militiamen and we have many companeros in reserve battalions. We want to point out, he added, that our Sandinist People's Militias [MPS] are well organized in the north. Since the planting of late crops can't be delayed, we must plant shouldering our rifles. We hope that all our militiamen will get their weapons as soon as possible. Rodriguez admitted that there are small sectors in Jinotega and northern Leon where UNAG members have not yet received the military training needed as members of the MPS. This is how our people remain on the alert. UNAG is sowing fields and also ready to defend the fatherland. [Text] [PA062345 Managua Radio Sandino in Spanish 1200 GMT 6 Oct 81]

PRISONERS RELEASED--Managua, 11 Oct (ACAN-EFE)--Three persons who have been under arrest since the beginning of this year charged with plotting against the Sandinist Government were released over the week ending 10 October. The Supreme Court ordered a stay of proceedings in their behalf after finding them innocent of charges. Those released are: Dora Maria Lau Lacayo, Leonardo Somarriba Gonzalez and Alejandro Salazar Elizondo. The court ruling also favored Gabriel Lacayo Benard and Luis Adolfo Valle Lau who were released previously. [Panama City Acan in Spanish 1825 GMT 11 Oct 81 PA]

UNION COMMITTEE PRESIDENT--Eng Alfonso Robelo has been elected president of the Coordinating Committee of the Independent Political and Trade Union Sectors, to replace the late Ramiro Sacasa Guerrero. [Managua, Radio Corporacion in Spanish 1200 GMT 14 Oct 81 PA]

PCD LEADERS ELECTED--Jose Castillo Osejo was elected national coordinator of the Democratic Conservative Party of Nicaragua in democratic elections yesterday. The other officers elected were Dr Enrique Sotelo Borgen, deputy national coordinator and secretary of international relations; Dr Clemente Guido, secretary of political training; Dr Donald Lacayo, secretary of legal affairs; Alejo Mendieta, press and propaganda officer; and Felix Pedro Espinoza Briones, secretary of agrarian and peasant affairs. [Managua LA PRENSA in Spanish 25 Sep 81 p 6 PA]

FSLN LEADERS' LANGUAGE, PRESSURES OPPOSED--The Social Christians are against the aggressive language used lately by revolutionary leaders. The Social Christian Party [PSC] released a communique today referring to the language used lately by some revolutionary leaders, describing it as inappropriate in the current moments of crisis affecting the country. The PSC notes that the pressure brought against the independent democratic sectors taints the image of the revolution abroad and does not resolve any problems. The communique indicates that there are dissident sectors who blame the country's sociopolitical and economic crisis on parties and labor unions when they are not at fault. The PCS states that the campaign against the hawk view maneuvers, which were condemned by the country's democratic sectors, also served to harshly attack these parties, which struggle for a climate of peace and liberty in our country. The national unity we are intent on achieving is always the best enemy of interventionism and history is the master, the PSC concludes. [Text] [PA131620 Managua Radio Corporacion in Spanish 2300 GMT 12 Oct 81]

CSO: 3010/153

## 'LA PRENSA' OFFICE ATTACKED; PRD YOUTHS RESPONSIBLE

## Editorial on Freedom of Press

PA260044 Panama City LA PRENSA in Spanish 21 Oct 81 p 1A

[Editorial: The Risks of Freedom of the Press]

[Excerpts] Using phrases that we believed were limited to the arrogant manner in which the military usually refer to matters which their training prevents them from understanding or respecting, the minister of government and justice has referred to the "behavior of the social communications media," and "quite specifically to the newspaper LA PRENSA," accusing us of publishing false reports which could bring about "the confusion that begets violence."

It is unfortunate that Minister Ritter--who should be aware of the correct constitutional and legal meaning of freedom of speech because of his education and the post he holds--considers that this sacred right is subject to the "tolerance" of the rulers. This is not so. The current constitution, just like the ones that preceded it, does not permit a priori controls on the freedom to express one's thoughts, nor does it empower the authorities to impose administrative penalties because of what Minister Ritter, or his government, might consider "false reports." If such a thing were to occur, guilt could only be established after the fact, and only by due legal process.

One cannot attempt to simulate the existence of a democratic opening if the government refuses to accept the limitations that democracy demands. Foremost among these limitations is freedom of the press. If respect for freedom of the press is as uncertain as Minister Ritter's words suggest, the exercise of the right to freedom of speech entails risks that are as dangerous as they are indefinite. Today, like yesterday, we are willing to run these risks.

## Director Reports Attack

PA222356 Panama City Radio MIA Network in Spanish 2125 GMT 22 Oct 81

[Live telephone report by reporter (Joaquin Maison) on 22 October in Panama City]

[Text] This is (Joaquin Maison) reporting on the attack against the newspaper LA PRENSA at approximately 1600 this afternoon. We have Ricardo Arias Calderon, one of the LA PRENSA'S directors, on the telephone, who will give you the details of the attack.

[Arias Calderon] at approximately 1530 this afternoon, nine young men forced their way into the building. They were armed with iron bars, at least one of them carried a gun, another brass knuckle and another a machete. Once they were inside the building they proceeded to destroy the entrance to the offices, the door, the receptionist's cage and all the office equipment. The man with the gun aimed it at (Jose de Los Santos Chen Barria), director of the Central American Institute of Business Administration, Incae, who was in our office to place an advertisement. The man fired the gun, but it did not have regular bullets, the ones that explode. (Chen Barria) was forced to face the wall and he was then hit on the head with the brass knuckles and started bleeding. The receptionist was also injured by a piece of glass when the front glass was broken. She will need medical care. I am trying to be as accurate in my description as I can be under the circumstances.

I consider this an attack on the freedom of the press, on man's fundamental civic rights and on the human rights of the personnel working in this newspaper and who every day wage a struggle on behalf of the freedom of expression without fear in Panama. It is really hard to believe that such an act of violence could occur. But it has taken place only 2 days after the government minister publicly threatened the newspaper LA PRENSA on television. It is hard to believe that those who should maintain order and enforce the law should be making threats against the news media. What are we to think if 2 days after his threat, our newspaper is attacked. I am sure the peoples will reach their own conclusions. Do you wish to ask anything else?

[Question] Yes, Dr Ricardo Arias Calderon, in first place let me thank you for answering our call. Dr Arias Calderon, do you think there is any connection between the government minister's threat and today's attack?

[Answer] I am basing my suppositions on facts. Just 2 days ago the government minister publicly threatened the newspaper LA PRENSA on television. The entire nation was witness to his threat and 2 days later our paper is attacked. The television, photographers and friends of the newspaper are here to see with their own eyes the destruction caused by the attacks and also to express us their sympathy. It is too much of a coincidence that just 2 days ago we receive a threat and today we are the victims of a brutal and vandalic attack, not only against our installations but against a client and one of our workers, the receptionist.

[Question] Could any of the attacks be identified?

[Answer] We captured one of the attackers. We handed him over to a national guard patrol unit. (Alfredo Jimenez), LA PRENSA assistant director, and chief editor Migadalia Fuentes, followed the patrol car to make sure that he was turned over to the police authorities.

[Question] Do you have any idea or estimate on the amount of the damage caused by the attackers?

[Answer] For the time being we are not worrying about this. Our main concern at this moment is to see that the persons injured received medical care, to denounce to the people this attack so that they can take the proper stance in defense of the freedom of the press. Later on, we will make a report on the damage caused to the property. But anyone who passes in front of our building can see the destruction caused to our building and office.

[Question] Dr Arias Calderon, Radio MIA wishes to offer you its facilities in case you have anything else to report on behalf of all the free men of Panama.

[Answer] I thank you very much. I know that Radio Mia has always been in the frontline in defense of the freedom of the press in Panama. I knew we could count with Radio Mia. We will let you know any additional information. Thanks.

#### PRD Youth Claim Credit

PA230403 Paris AFP in Spanish 0236 GMT 23 Oct 81

[Text] Panama, 22 Oct (AFP)--A group of youths this afternoon broke into the building of the Panamanian newspaper LA PRENSA, attacked its personnel and caused material damage estimated at several thousand dollars, according to the directors of the enterprise.

Three newspaper employees were injured by slivers of glass during the attack and one of the attackers was arrested.

The seven [as received] attackers ranged from 18 to 24 years of age, according to eyewitnesses.

Minutes after the attack a signed communique was released by a youth group of the ruling Democratic Revolutionary Party (PRD) in which they claimed credit for the attack on the newspaper.

The PRD youths assert in their note that this newspaper "has been distorting and slandering the real political facts in the country," and also accuse it of "being at the service of the sell-outs of the country."

One of the newspaper directors, Carlos Gonzalez, termed the attack "cowardly" and said that it was because "LA PRENSA publishes reports with the objectivity that Panamanians want."

The attack on the newspaper, which is linked with the opposition groups, occurred only 48 hours after government and justice Minister Jorge Ritter criticized reports published by that newspaper, saying that they distort the true situation in the country.

The newspaper LA PRENSA, which has a modern installation and equipment, began printing in August of last year.

#### PRD Issues Communique

PA232008 Panama City LA PRENSA in Spanish 23 Oct 81 p 2A

[Communique issued by the Democratic Revolutionary Party on 23 October; signed by Gerardo Gonzalez Vernaza, Party Secretary General]

[Text] An incident which our party deeply deplores occurred today. However, we must explain the following to the country:

1. For many months, the newspaper LA PRENSA has been conducting a campaign characterized by the defamation, slander and distortion of political facts and aimed at destabilizing our country and at creating chaos.
2. The newspaper LA PRENSA has become the spokesman of the darkest, most traitorous and submissive interest in Panama, which are connected with international vested interests anxious to bring about a bloodbath in our fatherland. This is why they fabricate and invent news which is later spread locally, such as the lie they published about the alleged existence of guerrillas in this country. They have been provoking the youth, professionals, politicians and rank and file cadres of the Democratic Revolutionary Party, PRD, the huge organization of the majority of the Panamanian people.
3. On 21 October 1981, the newspaper LA PRENSA published a caricature which filled our party's entire rank and file with indignation. The rank and file demanded firm action on our part in the face of this situation. The caricature was disrespectful to the memory of Brig Omar Torrijos Herrera, who was, is and will continue to be a great leader of our people.
4. A group of our party's rank and file attacked that newspaper today. LA PRENSA itself and what it represents, engendered this violence; they are responsible for it. We will respond firmly and without hesitation to any attack on the process. We are on our feet.
5. The popular support group, GRAPO, which carried out this action, has always received the moral support of our party's general secretariat. Today, however, GRAPO's rank and file was filled with indignation over LA PRENSA's insults to the tombs of Omar Torrijos, former PRD leader Ascanio Villalaz and Yopez [not further identified] which are sacred to our party. GRAPO overflowed the bounds of that group's directorate.

We ask all companeros to act with the utmost prudence. From our adversaries we demand respect for the peace of tombs held sacred by both the PRD and the Panamanian people.

#### Spokesman's Statement

PA240224 Panama City Televisora Nacional in Spanish 2245 GMT 23 Oct 81

[Text] An authorized spokesman of the Democratic Revolutionary Party [PRD], who asked not to be identified, told this station this afternoon that the PRD is preparing a communique of total support for the communique on the attack on the newspaper LA PRENSA yesterday which was signed by PRD Secretary General Gerardo Gonzalez.

According to the spokesman, the political committee, the secretariat and the executive committee of the party met from early this morning to late in the afternoon to evaluate the situation as a result of yesterday afternoon's events. He said that a call was issued to remain levelheaded and calm in the face of the pressures by the party's rank and file for energetic actions against what they described as the disrespect of the PRD figures and members.



### Reprisal Attack on PRD

PA241734 Panama City MATUTINO in Spanish 24 Oct 81 pp 1-A, 8-A

["Communique to the Citizenry"]

[Text] On Friday morning, 23 October, gangs of paid thugs attacked the offices of the Democratic Revolutionary Party [PRD] youth located between 50th Street and Justo Arosemena Avenue, causing damage and endangering the physical safety of a humble mother who is the secretary in this office.

The perpetrators of these violent actions are cheered on by the leadership of the Christian Democratic Party, in reprisal for the actions of a rank-and-file PRD group that expressed in this manner their indignation at the disrespect shown the memory of our guide and leader, Gen Omar Torrijos H., by the newspaper LA PRENSA.

Our party and our peoples have been silently tolerating the slanderous attacks and subversion by the newspaper LA PRENSA and the parties that finance it. But today we state that this patience has reached its limit; no one can tolerate having mud thrown on the figure of our spiritual guide, Commander Omar. No PRD militant can tolerate having the memory of companeros Ascanio and Yepes' stained.

Those who sow hate and violence in our country are the same people who twice this have attacked the headquarters of the glorious Federation of Panamanian Students (FEP) and who attacked the offices of the National Council of Organized Workers, CONATO, and of the Pacific Banana Corporation, COBAPA.

We warn that we are not responsible for any actions that our people may take after this. We respect and defend with all our might the social peace that has prevailed in our country in the past few years, but don't mistake this for cowardice, because we are 1,000 times more worthy than those who promote violence.

We make a patriotic appeal to all of the bases, all of the militants of our PRD to redouble, today more than ever, their militancy for the peace that we need in this country, both for the sake of our parents, brothers and children and in order to defend the process bequeathed us by Commander Torrijos.

/No to those who confuse liberty with abuse of liberty and tolerance with disrespect. For the national secretariat/ [words within slantlines published in boldface].

[Signed] Raul Gomez, 8-161-610; Luis C. Cabezas, 8-162-2741.

### National Guard Communique

PA240308 Panama City Televisora Nacional in Spanish 2245 GMT 23 Oct 81

[Panamanian National Guard communique concerning 22 October attack on the opposition newspaper LA PRENSA, signed by Lt Col Roberto Diaz Herrera--date and place not given]

[Text] In view of the concern expressed to the national guard headquarters by various sectors of the people, the command of our armed institute states the following:

The commander in chief and his staff are seriously concerned about the physical acts of aggression against the installations of the newspaper LA PRENSA yesterday. Our armed institute hopes that these events, their origins and consequences will be fully clarified by the proper authorities.

The national guard deplores all types of violence, both physical such as the one perpetrated as well as verbal and written violence. A product of a low ethical and professional standards which incite violent actions in any direction.

Panama has a great social peace that is the heritage of all Panamanians without class distinctions. The national guard will not permit irresponsible actions, regardless of their origin, to harm this status of tranquillity, creating instability and unrest.

#### President Royo's Statement

PA240100 Panama City Televisora Nacional in Spanish 1715 GMT 23 Oct 81

[Text] President Aristides Royo Sanchez this morning deplored the vandalism that occurred yesterday at the opposition newspaper, LA PRENSA, and termed the action of the popular support group [Grupo de Apoyo Popular--GRAPO], the so-called armed branch of the Democratic Revolutionary Party, PRD, a shameful act.

Panamanians cannot be asked to remain neutral, the president said, in reference to publications that distort the truth. Royo, however, emphasized that no type of violence should be employed against any communications media, and that opposition papers can exist in Panama.

Esteemed viewers, here is the statement made by the president of the republic on the much-commented incident that took place yesterday.

[Begin recording] I will say that I sincerely deplore the fact that any kind of violence should have been employed against a newspaper. An English politician is known to have said to his opponent: I do not agree with anything you say, but I would give half my life for your right to say it. [Quotation as heard]

We feel that there must be an opposition paper in Panama to say all the things that need to be said, that freedom of expression must be respected and newspapers must be allowed to exercise that freedom of expression. Therefore, no type of violence should be used against a media.

When we have felt certain that our honor was being attacked, we have turned to the legitimate means available to all citizens to demand their rights. We have filed, as all Panamanians know, a suit for slander against LA PRENSA. At present, there is a case pending against Carlos Ernesto Gonzalez de la Lastra, as the publisher of the newspaper.

We believe that is what the law and the courts are for. One should not try to bring about his own justice. In this regard, we feel that the incidents yesterday were shameful, given the tranquillity, stability and domestic security that exists in the country.

We have reiterated on various occasions that violence begets violence. When we said in our speech on 11 October that there is a limit to patience, we meant that when journalism is practiced improperly and attacks the honor of individuals, it is necessary to turn to the proper avenues of redress: a judicial sentence by the courts.

I would also like to state the following, because I cannot remain silent in the face of such actions. Independent of the acts which, I repeat must be condemned, it is also necessary to call attention, as I have done on various occasions, to the exercise of freedom of expression. We must state that it is a responsibility that should not be abused. I hope that this could also cause people to stop attacking the honor of people or the memory of the dead. Panama is a Latin American country, a religious, Catholic country in which the dead are traditionally respected. I do not think that I, or the newspapers that support this process, have ever been guilty of caricatures or positions directed against the dead of other parties.

[Former] President Roberto F. Chiari died a few months ago and I do not believe you have seen any caricature by CHICO or PETROLON that constitutes an offense to the memory of that illustrious president, or against Max Del Valle or against any other president, despite the fact that they were members of parties that today are opposition parties, or parties that oppose my government.

I believe that the memories of people should be respected. Yesterday, I personally had to restrain some of General Torrijos' relatives, 2 days ago, that is, who wanted to take some action against the person who had published the caricature against the memory of a man who was a leader. Even if they opposed him politically, I do not believe there was any reason to offend his memory in this way.

I have no personal ill feelings against Mr Wilfi [the caricaturist], despite the fact that on several occasions he has picked on my wife. On the contrary, on a couple of occasions I sent him a book of caricatures signed in my own hand, with a little card. In fact, he did not even believe that I had sent it, but I had. Let him irritate the living, but respect the dead.

Over 10 years ago, a distinguished lawyer, a highly educated person who today also opposes my government, shot a newsman several times. That was also a deplorable action that should never be repeated.

On the other hand, one cannot ask Panamanians to remain neutral. Some people have hot blood. I do not believe that either the PRD, or our government or myself as a president, a citizen or an individual, could promote acts of this kind. Let us hope, however, that also our journalists on both sides--those of the opposition as well as those of the government--will say everything that needs to be said, but that they will do so with respect and with dignity.

[Question] Mr President, the communique in which the PRD takes responsibility for the vandalism that took place yesterday seemed to indicate that the party would continue to take responsibility for any acts of this kind and that they might even continue to occur. What measures will the government take to try to keep the government party from repeating such acts?

[Answer] The actions yesterday definitely took everyone by surprise, but this is what the courts are for. I feel that precautions will have to be taken to see that acts of this kind are not repeated. However, I do not believe that the communique indicates that the PRD will continue to carry out activities of this kind. We truly hope that this does not happen again and I believe that the communique, as I read it this morning, states that those responsible were from a splinter group, a group that had disregarded the instructions or orders to refrain from activities of this kind.

I do not believe that the PRD or any other party in this country should sponsor acts of violence. We also greatly deplored, for example, the acts of violence that were committed against the electoral tribunal. Whether they are actions by the opposition against government offices or actions by parties that support the government against opposition establishments, such acts are deplorable and I believe they are repudiated by all Panamanians.

Let us hope, on the other hand, that there will also be more reflection on the exercise of freedom of expression in this country, that there is caution regarding the memory of the dead and that there will be more respect for the dignity of individuals because, although the courts exist, on occasion a person may fly into a rage and do something that he may later regret, as would his friends and everyone in this country. These things must be avoided. We want peace in this country, peace in the hearts of all Panamanians and in the souls of all those who earn their daily living with the pen. [End recording]

'LA PRENSA' Blames Royo, Ritter

PA232323 Panama City LA PRENSA in Spanish 23 Oct 81 p 1 A

[Editorial: "Our Response"]

[Text] Our paper's premises were violently attacked yesterday by a group of thugs armed with machetes, bars and pistols. They destroyed glass windows and office equipment and injured two persons; a member of the administrative personnel and the director of INCAE [Central American Institute of Business Administration], who happened to be in the building on an errand connected with his duties. A few hours later, the PRD [Democratic Revolutionary Party], the government's party, publicly claimed credit for this vandalic action which shames its material and intellectual perpetrators. With unprecedented shameless PRD Secretary General Gonzalez attributed the attack to "the rank and file," who were indignant over an alleged offense to the memory of their dead leaders.

It is impossible, however, to believe those who committed this crime acted spontaneously. The PRD communique seeks only one goal: to divert the attention of all conscientious Panamanians, who accuse those truly responsible morally and politically--none others than President Royo and Government and Justice Minister Ritter--toward crude instruments and coarse henchmen. As is already known, in his speech at the National Assembly of Corregimiento representatives, the president openly threatened those media which published news against his government's administrative corruption. Against all evidence Royo unsuccessfully tried to deny the existence of such corruption. As if this were necessary, a few days later, the government and justice minister explained the scope and meaning of the president's

threats, specifically mentioning LA PRENSA in connection with the novel crime of having published a dispatch from one of the agencies to which we subscribe, a routine procedure for all newspapers in all civilized countries in the world. Afterward, the minister warned that "measures would be adopted," leaving the task of guessing what these measures would consist of to each person's imagination. The guesswork unexpectedly ended yesterday with the attack on our installations, thus giving his statement a sinister meaning.

It might be good to point out that all the charges published in LA PRENSA have been backed by evidence that no official spokesman has been able to refute so far. Royo is not bothered by the corruption that has poisoned the entire public sector, but by the fact that the Panamanian citizens--who have every right to know--are told how the funds supplied in the form of taxes--which should revert to them in the form of investments for the country's development or for public services currently denied to them because of the corruption that prevails at all levels of the current administration--are being used. Ritter is concerned over the publication of a foreign paper's editorial, which denounces the training of guerrillas in our territory. He did not worry, however, about the fact that the fatherland was being used as continental center for the profitable smuggling of weapons and war materiel aimed at stirring the fire of fratricidal struggles in fraternal countries. Nor was he worried over the fact that our country was being used--for similarly profitable purposes--as a base from which to arm and ship off guerrilla expeditions to Colombia.

A lesson can be derived for our people from all these developments: the men who, rather than ruling Panama, are fleecing it, will not stop at any excess in order to satiate their unlimited greed for power and the illicit acquisition of wealth. In spite of all the threats, we will continue to denounce them.

#### 'LA PRENSA' Director Comments

PA240301 Panama City Televisora Nacional in Spanish 2245 GMT 23 Oct 81

[Interview with Ricardo Arias Calderon, a director of the newspaper LA PRENSA, on 23 October; place not specified]

[Text] [Question] What is your opinion of the communique issued by the national guard this afternoon and President Royo's statement this morning?

[Answer] It is true that the national guard communique and the president's statement have a different tone from the communique of the secretary general of the Democratic Revolutionary Party, PRD. The latter took credit for the vandalic violence. In an indirect way, he confirmed the threats. This tone is not found in the two other statements.

However, some things still need to be explained. The president has not explained why he issued threats on 11 October or why his government minister expressed those threats in concrete terms only 2 or 3 days ago. It would also be well that he emphatically deny the rumors that he held a meeting with some ministers and members of the PRD 2 days ago to plan yesterday's actions. Those rumors are spreading and the president owes the country an emphatic denial.

We are glad that the national guard has condemned this act of violence because this shows that it will be more diligent in preventing such actions in the future.



[Question] As member of the LA PRENSA board of directors, once charges have been filed, will LA PRENSA ask for indemnification from the PRD or someone for the damages?

[Answer] This will have to be decided by the board of directors but in my view, the logic of the situation leads one to claim damages and certainly establish responsibilities.

#### 'FRAMPO' Condemns Attack

PA240421 Panama City Televisora Nacional in Spanish 2245 GMT 23 Oct 81

[Communique issued by the Popular Broad Front, FRAMPO--date and place not given; read by announcer]

[Text] The attack on LA PRENSA is repugnant. It is contemptible and is a low blow to the democratization process that Gen Omar Torrijos Herrera began. The general vigorously defended freedom and pluralism as principles of the social peace existing in Panama. That is why it is improper to invoke General Torrijos' memory to justify the barbarous attack on the newspaper LA PRENSA.

The attack on LA PRENSA should be interpreted as an attack on all democratic freedoms and as a gross instigation to violence by those who deep down have not accepted the democratization process and are filled with panic in the face of the need to politically fight the political parties which oppose the democratic and progressive ideas promoted by that great patriot, Gen Omar Torrijos Herrera, inspirator of FRAMPO.

We firmly believe that President Royo, a man with an unquestionable education, rejects the acts of violence perpetrated against LA PRENSA.

#### Minister Ritter Condemns Attack

PA261752 Panama City LA ESTRELLA DE PANAMA in Spanish 26 Oct 81 pp A-1, A-10

[Text] In opening the second seminar on journalism at the Bambito Hotel in Chiriqui Province, Government and Justice Minister Jorge Eduardo Ritter said: "We condemn the violent attack on the daily LA PRENSA. We cannot condone, much less approve of, acts of violence against a news media source."

The prime minister added: "Violence is not part of our activities. It is not part of life in Panama. Violence, the few times it has appeared, has always been repudiated and rejected by us, regardless of its source."

Minister Ritter noted: "It is true that when events such as this take place, political banners are raised and much is said about persons and situations, but often this is the result of political and circumstantial passions, which must not be used to pass judgment on events as notorious and significant as the recent ones."

"Every time there is an act of violence," Ritter said, "we forfeit some of the peace and quiet we want to safeguard."



The minister also noted: "The president, the armed forces and all of the authorities, all those who have anything to do with security and social peace, reject and deplore the events involving the daily LA PRENSA."

He added: "We have to point out some things that, regardless of what happened a few days ago, must serve as normal and guidelines for journalism, for the exercise of this activity by the news media. I am referring to the problem of political passions taking the media to diatribe, insults, offenses, slander and the publication of reports that have nothing to do with the true situation."

Jorge Eduardo Ritter said that when the people read a newspaper, listen to the radio or watch television, they expect to find the truth, objectivity and respect in the journalists or in the particular news media.

The journalists seminar was attended by more than 125 national newsmen. It was organized by the Association of Journalists of Chiriqui. The speakers included well-known press, radio and television personalities and professionals in the fields of public relations, literature and diplomacy of Panama.

The seminar, which took place from 24 to 25 October, included conferences on freedom of expression, television production techniques, the importance of sports in modern journalism, public relations in Panama and new tendencies and literature in journalistic style.

#### 'LA PRENSA' Comments

PA261724 Panama City LA PRENSA in Spanish 26 Oct 81 P 1A

["As of Today" column]

[Text] For many sad years, the Panamanians have silently suffered repeated official and semi-official violations of freedom of the press. This is what happened when the editora Panama-America was attacked, "QUIUBO" was closed, "LA OPINION" was banned and radio Impacto was destroyed and subsequently closed. This is also what happened when cabinet decree 343 of 1969 was implemented and the licenses of radio commentators were cancelled, just to mention a few cases.

The vigorous statements condemning the attack against LA PRENSA installations and the strong national support offered to our newspaper clearly indicate that the Panamanians have not lost their civic awareness and are unwilling to tolerate any more abuses and violations of rights and liberties that are ours by justice, tradition and history. Fortunately, the conspiracy of silence that made the world ignore the sad fate of freedom in Panama for so long has now been broken outside the country.

We are also pleased to see that the U.S. ambassador, who seemed more committed to the dictatorship than to democracy in the past, has warned that economic development--he should also have said the development of human dignity--can only be achieved in countries where "democratic principles guarantee that no group can oppress others and where these principles guarantee that all voices will be heard." So many clear voices reaffirm our conviction that there is still room for hope.

CSO: 3010/146

U.S. AMBASSADOR MOSS' STATEMENTS CRITICIZED

PA271443 Panama City Televisora Nacional in Spanish 2245 GMT 26 Oct 81

[Interview with Ovigildo Herrera, National Organization Secretary of the Democratic Revolution Party [PRD], on 26 October; place not given--recorded]

[Text] [Question] At a coordination council meeting in Colon on Saturday, you said that Thursday's statement by U.S. Ambassador Ambler Moss was a violation of the neutrality treaty. What is the basis for your statement?

[Answer] We were greatly surprised to see Ambassador Moss expressing an attitude we had never seen before, especially during the time of the Carter regime. We believe the neutrality treaty has been violated, because in our country one can't make the statement that they are going to eliminate the enemies of the United States and that they will take necessary measures. We believe that this implies a threat to other countries which cannot be made in our territory, if we have a neutrality treaty which places our country outside any provocation that may be interpreted as a hostile statement.

We believe that if there is a war between the two powers, our country may be destroyed. Their military bases are still here, this endangers us and we must be very careful about statements made in our territory.

Our country's sovereignty must be respected and we believe in the principle of respect for the country where a statement is made, regardless of who invites these declarations.

[Question] Don't you think that this reaction to Ambassador Moss' statement could be understood as a reaction which is ideologically opposed to what he said in his speech at the Rotary Club?

[Answer] Well, I have already said it. The Moss we saw on television was a different person. We do not know what instructions he has received from President Reagan who has made hostile statement. He has made them and we don't know what instructions Ambassador Moss has received. However, we must say that we do not intend to have our country used for threatening anyone. We signed a neutrality pact which says that we are not aggressors and will never be.

We respect the self-determination of peoples and we also want to be respected. The respect that we have for other countries will be the measure of the respect we

will demand, and the neutrality treaty, which many countries are signing must be respected. This is part of the Torrijos-Carter treaties and this is why we are concerned about this type of statement to an audience which invited him to make this type of statement.

[Question] Do you think that what you consider a serious statement by Ambassador Moss will give rise to protests from some local organization?

[Answer] I think that protests are being made. I think that many people do not realize the seriousness of it. As I said, we are a target. Why should we suffer a nuclear attack? We will not be asked if we are Panamanians. Forget about it. We are the target of any attack. We do not have nonaggression pacts with other countries. We have a neutrality pact in which we are respectful of other countries. All countries will pass through this canal which we will operate in the future.

We will operate it fully in the future and we cannot have our territory used for making this type of statement.

[Question] One last question. Don't you think that this Ambassador Moss' statement was an exercise in dialectics or rhetoric in relation to U.S. defense policy?

[Answer] I don't know if this was an exercise in rhetoric. The law violating the canal agreements is not rhetoric and it is being violated. This is part of the Torrijos-Carter treaties.

CSO: 3010/144

## EDITORIAL FLAYS REAGAN STANCE IN CANCUN

PA262248 Panama City MATUTINO in Spanish 26 Oct 81 p 4-A

[Editorial: "The Cancun Summit and our Predictions"]

[Text] In an editorial recently published by this newspaper we gave our opinion as to the probable cause of collapse of the north-south dialogue in Cancun, the beach resort in Mexico. As we predicted, the cause of its collapse would be nothing more than Mr Reagan's unwillingness to make what he regarded as concessions to the developing countries' ideas.

The truth is that later on, when news reports referred to the talks between the U.S. and French presidents as possible reasons for a change in attitude by Mr Reagan, we thought that our assessment was completely mistaken. We were happy because our mistake meant a victory for reason over obstinacy and for good sense and understanding over stubbornness and ill will.

Unfortunately, events have proved that our prediction was right. Reagan, [as published]. The plan outlined by the former cowboy in western movies of the first half of this century was like a door slammed in a neighbor's face. The gesture was so rude that countries outside our continent, like Britain, which has been a traditional U.S. ally, had to leave the United States alone with its openly selfish attitude.

In a nutshell, the U.S. president has refused to participate in global negotiations for changes in the international financial and trade systems if the talks include the creation of an international supervisory body. He also opposed [the creation of] an energy affiliate to promote oil production in the poor countries and virtually turned a deaf ear on plans for the international stockpiling of foodstuffs.

As expected, the attitude of the U.S. president has placed his country in a position of supremacy which is typical of those who think they have everything and will never need anything from anybody. This false premise makes him reach equally false conclusions, such as supposing that for the time being, and only for the time being, his close friendship with Saudi Arabia will open for him the doors to the huge current of oil flowing in the Middle East. Reagan also maintains his usual dual attitude of suggesting to 'Arafat through Saudi Arabia that he recognize the state of Israel in exchange for U.S. approval of 'Arafat's aspirations and actions to obtain the recognition of his people as one more nation in the world. In plain language, this means never, no time, nowhere. This cowboy crossword puzzle leaves the third world with one foot out of the stirrup while the horse continues bucking to throw them overhead and make them crash against the harsh reality of the ground.

## PANAMENISTA LEADER WOUNDED BY GUARD CAPTAIN

PA261237 Panama City LA ESTRELLA DE PANAMA in Spanish 24 Oct 81 pp 1A, 18A

[Text] Gaspar "Tot" Suarez, a well-known Panamenista political leader, was the victim of an attack by a National Guard captain, which did not result in more tragic incident due to Suarez' military training and presence of mind.

Accompanied by Alonso "Bucho" Pinzon and three other friends, Suarez came to this paper to report the armed attack by an unidentified National Guard officer, who was accompanied by Nathaniel Castillo, a noncommissioned officer, who was driving the captain's automobile.

According to Suarez, the incident took place at approximately 0100 Saturday in front of an entertainment spot at the Torremolinos Building. Prior to their arrival, the group had noticed that they were being followed by a blue automobile, "the same used by the frustrated assassin to make his escape," the Panamenista leader said.

"We were talking with Lawyer Emilio Royo Linares when this man appeared, and without saying a word, pushed Linares aside and lunged at me, asking: Are you Toty Suarez, the (expletive deleted) Panamenista? I was surprised when he drew his regulation weapon and aimed it at my chest.

"An instinctive reflex prompted me to push the gun aside, but he was able to fire twice wounding me in the right foot and in the left calf," Suarez said. He added that the officer remained in front of the vehicle about 10 more minutes aiming his gun and threatening the three persons in my group. Sargeant Castillo also drew his gun and posted himself behind the car of the "aggressive officer."

"Later three patrol cars arrived and the occupants did not even bother to ask what was going on, probably because of the rank of the frustrated criminal. In fact, they escorted him, helping him escape," Suarez noted.

"I publicly demand that the National Guard command conduct an investigation so that this man will be tried and punished as a frustrated criminal, because he constitutes a menace to the citizenry," Suarez said.

"I do not want to believe that the attack was a result of my firm position as a Panamenista leader, but rather because this man, who is doing great harm to the National Guard, may have tried to adopt a stupid political stand due to his ignorance," Suarez added.

Mr "Toty" Suarez assured this paper that he had refused to take care of his wounds until filing formal criminal charges against the officer. "We trust in the good judgment of the National Guard command and expect that this man will be discharged and placed in custody of the courts. It would be a good example for the people," he said.

While still in our office, Suarez displayed two empty .38-cal shells, the right shoe he was wearing when wounded and his wounded foot and calf.

Panamanian Foreign Minister Jorge Illueca said this afternoon that it is anachronistic that Panama does not have diplomatic relations with the USSR or the PRC. Here is the statement of the foreign minister regarding the forthcoming election of the UN Secretary General:

[Begin recording] [Question] International News Agency reports 2 weeks ago on the possibility of your candidacy, indicated that since Panama doesn't have relations with the USSR and the PRC, this might hurt Panama's chances. What are your feelings about this?

[Answer] It is evident that the subject of relations with the Soviet Union and the PRC is something which I have occasionally described as an anachronism. However, for domestic reasons, it is logical that a step of this nature will not be taken without first consulting with the political and economic elements in Panama. I think we should think about this. I personally think, as President Royo said, that this is not an issue which should be decided hastily. This, of course, must be taken into account, but I don't think it would be an obstacle if the opportunity presented itself and if the other candidates do not get enough votes.

Panama is not going to push the point and it has not presented a candidate. Panama is a member of the security council. Panama has been calling for a Latin American role in the election of the secretary general and for the election of a third world man. We think that Salim will have the support of the nonaligned countries and logically the support of many Latin American countries. Including Panama, however, if Salim is not elected and neither is Waldheim [changes thought]...regarding Waldheim we must state that we feel great respect and admiration for him. He was in Panama in 1973 during the security council meeting and he played a very decisive and substantial role which helped a great deal in the development of the treaty negotiations. If there is such an impasse, Panama thinks that the decision should turn to Latin America. Panama would be very pleased if (Ortiz de Rosa), (Soper de Cuellar), Castaneda or [name indistinct] obtained enough votes.

[Question] Turning to another subject, International News Agency reports and the local press today indicate that the board of directors of the Panamanian National Council of private enterprise [CONEP] will ask President Royo today to mediate in behalf of the release of the Nicaraguan businessmen who were imprisoned yesterday by the Sandinist Government. Has there been some request by the concept?

[Answer] This morning I had the opportunity of talking with Nicaraguan Foreign Minister Miguel D'Escoto. It was not regarding that matter but in regard to an FAO election to be held in Rome. During the discussion on that problem I had the opportunity of talking with him about those arrested and the reasons for their arrest.



Foreign Minister D'Escoto told me that six members of the higher Council of Private Enterprise [COSLP] and 24 members of the Communist Party, including the national directorate, had been arrested. He said that these people were accused of violating a law they call an economic security law. The Nicaraguan foreign minister told me that these people are accused of making false statements to harm the country's economic recovery process and of undertaking illegal efforts to stage a national strike. He said that the government thought that these types of actions were unacceptable in the state of emergency that exists in Nicaragua.

I asked him whether these people were going to be turned over to the courts and what authorities were going to try them. He said they were going to be turned over to the ordinary courts for their trial. He said that there is a 1977 law which establishes a penalty of about 3 years but that there is a more recent law which establishes sentences of less than 1 year. However, he said that it was up to the courts to decide if these people were guilty of the charges.

I told the president of the republic about these things. President Royo's reaction as I have said before is well known in this regard. The Panamanian Government's policy is one of not only respecting but defending the right of self-determination of peoples, including those of Nicaragua, to have the government they desire. At the same time, Panama has always expressed its interest in the respect of basic human rights.

I'm unaware that the CONEP has presented a request to the president. However, President Royo's position in these affairs is very clear. Although Panama maintains a policy of respect toward the Nicaraguan Government, its internal regime and its laws, I'm sure that President Royo will always be very receptive to any efforts, which are many times carried out without the public's knowledge, in favor of people whose human rights are or might be affected.

CSO: 3010/143

## MELO SUGGESTS MINING CONSULTATION WITH CUBA

## Suggests Mining Consultations

PA261648 Panama City CRITICA in Spanish 22 Oct 81 p 2

[By CRITICA special correspondent Carlos J. Nunez L.]

[Text] Havana--Arturo Melo, industries and commerce minister, has toured an antibiotics processing plant on Havana's outskirts. The plant has 150 employees and employs technology from an Italian transnational company.

The plant has not only helped solve the problem of high cost of medicines by marketing antibiotics without middlemen but has also helped the Cuban Government and people meet the demand for this type of medicine which is widely used.

Melo told CRITICA that he is convinced of the need to reopen a constructive, realistic and impartial debate for the gradual establishment of the Institute of Medicines [in Panama] because the delay in its establishment is to the detriment of thousands of consumers and mars the government's progressive image.

The working tour headed by Melo is near conclusion. Efforts have been centered on learning about the operation of industries like the fishing, the construction of medium-sized boats for use in small-scale fishing, fruit processing and especially Cuba's experience in mining.

Melo also showed interest in the salt industry. Regarding this last topic, a delegation of Panamanians specialized in mining, and most particularly in copper, will leave for Havana in the next few days to visit the nickel and copper mining areas. Even though copper is extracted in Cuba at great depths and therefore with a different technology from that used in Cerro, Colorado, Melo believes that it would be advisable to establish a sort of consulting service with Cuban experts in order to obtain information on this business, which is just beginning in Panama

## Cuban Trade Mission To Visit

PA232204 Panama City LA REPUBLICA in Spanish 22 Oct 81 pp 1, 10

[By Pablo Castrejon Jr.]

[Text] Commerce and Industries Minister Arturo Melo, who yesterday returned from Cuba with a very good impression, has said that a Cuban trade mission will visit Panama to study the possibility of large-scale commercial and industrial relations with our country.

Melo made this announcement during a breakfast he gave for representatives of the National Assembly of Corregimiento Representatives in the Interchina restaurant.

During his visit to Cuba, Minister Melo personally saw several industries and how they operate.

Minister Melo said that when he speaks to the assembly on 27 October, he will report on his activities in the ministry and will answer questions from the 505 representatives.

The minister left the meeting because he had to participate in a cabinet meeting and he had to report to the president of the national about his trip to Cuba.

Abelardo Carles, vice minister of commerce and industries, remained and continued to talk with the Corregimiento representatives.

#### Melo Statement on Trip

PA280251 Panama City Televisora Nacional in Spanish 2245 GMT 27 Oct 81

[Interview given by Commerce and Industries Minister Arturo Melo on 27 October, place not given--recorded]

[Text] [Question] Much to our surprise, we read in today's press that Panama will import bananas from Cuba. Could you expand on this report?

[Answer] This news item is not only mistaken, but is completely absurd. I think that it serves to clearly illustrate the need to insure that the press publishes true reports and not falsehoods such as this. This would help to avoid problems such as we have recently had.

The truth is that Panama cannot import bananas from Cuba. Because Cuba has no bananas to export and because we in fact produce bananas for export. However, when we do this we discard secondclass fruit, because we export only firstclass fruit. The utilization of this secondclass fruit was what we discussed in Cuba. We spoke about finding ways to use this secondclass fruit. They have a process by which they produce juice, nectars and baby food. We discussed the possibility of making a feasibility study on the use of secondclass fruit to produce processed banana products, to supply our own country first place and then for export to Cuba and other countries.

Thus the news item in today's press is completely false and is in fact the opposite of the truth. We hope that this trip to Cuba will not cause the publication of false reports, that information will be analyzed objectively and that it will be amply published and discussed, but only within the realm of truth.

We made a trip to Cuba. I went as minister of commerce and industry on a trip that is similar to other trips to Venezuela, Mexico and Costa Rica. We have gone on official missions to Japan and the Chinese Republic--the Cuban trip is similar to all of the others; we accepted an invitation from the Cuban Government. Just as we have accepted invitations from other governments and as we will continue to accept all serious invitations that will serve to promote trade with other countries.

[Question] Mr Minister, when you left for Cuba the National Council of Private Enterprise [CONEP] issued a communique about your trip. This communique was especially harsh. What can you tell us about it?

[Answer] Well, this communique was apparently similar to the news item in today's La Prensa. It lacks veracity and objectivity. In addition, it was issued without sufficient knowledge, stating an opinion without knowledge of what is being done and what can be done. I would like to have the opportunity for dialogue. We believe that we, as a sovereign nation, should have relations with all of the world's countries--any country that can buy from us and from whom we can buy.

[Question] One last question. How true is it that Cuban technicians will come to participate in the Cerro, Colorado Mining project as a result of your trip?

[Answer] This is another lie. The truth is to the contrary. There will not be a Cuban penetration in Chiriqui as a result of my visit, there will be a Panamanian presence in Cuba. Panamanians will go to Cuba to study stripmining as practiced in Cuban nickel mines, which are similar to the one we are planning to dig in Cerro, Colorado. We want to take advantage of this opportunity to study the ecological implications of stripmining under tropical conditions, which exist in both Cuba and Panama.

CSO: 3010/145

## BRIEFS

COLUMNIST CRITICIZES U.S. AMBASSADOR'S ATTITUDE--We have always appreciated the just, courteous and intelligent attitude of U.S. Ambassador Ambler Moss. For this reason, we reject his attitude of placing our country in the vortex of the new "cold war" between the superpowers. This is in contrast [as published] to his reaction to the violations of the Torrijos-Carter treaties, when he said: "Oh, I know nothing; this is unimportant; I will leave for Washington soon." It is apity that this has happened now, following positive and intelligent work as head of the diplomatic mission. It makes one lose faith in "good neighbors." [From "From the Coffee Shop" column by Luis Castilla Bravo] [Text] [PA241712 Panama City CRITICA in Spanish 24 Oct 81 p 31]

U.S. LABOR JURISDICTION DENOUNCED--The U.S. federal authority of labor relations, openly challenging the Panamanian position against the application of U.S. labor jurisdiction in the U.S. agencies in the canal area, has certified the "legality" of the election of the canal workers' labor representative. "This is an action that constitutes disrespect to the Panamanian Government and is in contradiction to President Ronald Reagan's statements that the Torrijos-Carter treaties would be respected." A Panamanian labor leader in the canal zone remarked indignantly. The certification authorized a coalition of the National Maritime Union Metal Trades Council master mates and pilots to represent the workers of the canal commission in the eventual collective bargaining to be negotiated with this agency. The attempt of the federal authority of labor relations to impose defense jurisdiction in Panama has been repeatedly denounced by the government. The Panamanian representative to the board of directors of the canal commission clearly explained this during the past period of sessions held in this capital in August. "What is proper, in accordance with the Panama Canal Treaty, is labor legislation that responds to the letter and spirit of the canal treaty and does not attempt to exercise U.S. labor jurisdiction in U.S. agencies that operate in Panamanian sovereign territory," the labor spokesman added. The labor leader demanded energetic and courageous action by the Panamanian Government to prevent the absurd application of U.S. labor jurisdiction in Panamanian territory. [Text] [PA241926 Panama City CRITICA in Spanish 24 Oct 81 pp 1, 29]

JOURNALISTS' SECRETARY GENERAL--Norma Nunez Montoto has been reelected secretary general of the Journalists Union of Panama for a 1-year period. [PA160618 Panama City LA ESTRELLA DE PANAMA in Spanish 12 Oct 81 pp A-1, A-14]

MOLIRENA AUTHORIZED TO REGISTER MEMBERS--The Nationalist Liberal Republican Movement, Molirena, today picked up the documents from the electoral tribunal recognizing it as a political party in formation and authorizing it to begin the registration of members in January. Molirena President Cesar Arrocha Graell picked up the documents from the electoral tribunal. He was accompanied by distinguished members of the party such as Jorge Rosas, Abraham Pretto, Gilberto Arias, Alfredo Ramirez and Manuel Solis Palma. The Molirena's symbol is a rooster and its flag is red and yellow. [Text] [PA240251 Panama City Televisora Nacional in Spanish 2245 GMT 21 Oct 81]

CSO: 3010/143



## EDITORIAL FEARS ECONOMIC EFFECTS OF U.S. DEFENSE BUILDUP

PY150137 Lima EL COMERCIO in Spanish 6 Oct 81 p A2

[Editorial: "The Dissuasive Nuclear Force"]

[Text] The announcement made by U.S. President Ronald Reagan regarding the largest nuclear modernization plan ever implemented, which will become the "most stable and secure dissuasive force" against what Reagan termed the Soviet "nuclear extortion" will undoubtedly cause great concern throughout the world. The gigantic project, which will cost the astronomic sum of \$180 billion (approximately 81 trillion soles), obviously is the logical answer to close the U.S. "window of strategic vulnerability" in view of the speedy growth of the communist empire's war potential. Reagan has sustained that "the project is balanced and has been thoroughly analyzed in order to strengthen our hope for peace and freedom, which is threatened at present." This phrase evokes Foster Dulles' pathetic proposal to defend peace: "To go to the brink of war."

With concern we see in our future a panorama threatened with outbreaks of war of vast proportions, of a disturbance of the horizon which for a long time has barely been altered by local conflicts. This is the only explanation of the war preparations being carried out by the two colossuses, although they are at the expense of postponing solutions to the problems of food, health and education of their suffering peoples and of cutting down the resources destined for aiding the poor countries.

It is no secret that projects of this nature force the states which are involved in them to mark enormous sums of money to support the military establishment, thus distorting the behaviour of the international economic structure by eroding the budgets, making changes in the industrial programs and adding to the market a new regulator of trade. Naturally, the most affected by these changes are the poor countries because the relationship which they maintain with the leading economies becomes more crucial and it subjects them to new regulations both as sellers of raw material and as buyers of manufactured goods. The prevailing international economic order, as has been pointed out, is characterized by a two-way exaction. On one hand, greater limitations on the introduction of our products into the industrialized market at lower prices decrease our income. On the other hand, our expenditures speedily increase by acquiring, at high prices, the manufacturing equipment we require to maintain the productive apparatus.

Other depressing factors add to these injustices. For a start, the poor countries were warned during the meeting of the International Monetary Fund and the World Bank that the rich countries have decided to be more restrictive with financial aid. Therefore, we should understand, probably with excessive sensitivity, that the worldwide chronic inflation problems, the high interest rates and unemployment are not the only decisive factors causing this. Also, the requirements to maintain the fabulous defense programs such as that which President Reagan has announced to a large extent will be to blame for this. We will not be able to rely on a better treatment than that at present--quite unfair and unjust--as long as the two greatest world powers, and those which follow their respective paths, have the excuse of their increasing defense budgets.

However, we cherish the hope that eventually it will be understood that the main strategic aspect lies within what has been called the defense of the internal borders, since the most effective dissuasive arm against the communist threat and the interference of the Soviet Union within the free world, is that the people should have peace and that their needs be attended to properly. The communists' war plans will thus meet the flat answer of the peoples who love freedom. Poland is a good example.

CSO: 3010/140

## CONGRESSMEN ACCUSED OF INTERFERING WITH COURTS

PY211216 Lima OIGA in Spanish 5 Oct 81 p 21

[From the "Monday to Monday" column: "The Possible Consequences of Minister Elias' Accusation" by Luis Ricardo Gandolfo]

[Excerpts] Two deputies and one senator from the minority blocs have been involved in a case of putting pressure on and interfering with the activities of three members of the Huancayo Supreme Court, according to the extensive report that the justice minister submitted last Thursday to the Chamber of Deputies. According to the documentation submitted by the Supreme Court judges, the incident took place on 7 September when Congressmen Hugo Blanco [Popular Student, Peasant and Worker Front]; Alejandro Olivera [Peruvian Communist Party] and Edmundo Murrugarra headed a demonstration that ended up at the premises of the court with the intention of forcing the release of a person who had been arrested for alleged participation in terrorist actions and of other people who are involved in a homicide case.

As is known, the right to inform has no type of limitation and it is exercised through congressional initiative--such as on this occasion--or through ministerial initiative. In addition, the justice minister has indicated that the testimony of the court's members is already in the hands of the attorney general. The justice minister has only informed the Chamber of Deputies of a series of events that are closely linked to his ministry and that, in conclusion, must be studied by the deputies to decide whether a special investigation is needed to clarify their seriousness.

Within this framework a special committee of five deputies is created, which, after listening to their fellow members, hands down a decision. This decision is then debated by the chamber and a resolution is handed down as to whether an accusation will be made. If the answer is yes, Article 183 of the constitution is then applied; thus the Chamber of Deputies formally accuses the congressmen before the Senate. In its turn, the Senate has to state whether there is cause for a case, if so, the accused have their rights suspended and they are subject to trial, in accordance with Article 184 of the Constitution.

In accordance with the law, the case is then submitted to the Supreme Court which, in this case, divides itself into two chambers. The second chamber acts as a trial court, while the first chamber acts as a magistrates court [tribunal correccional], with the object of ensuring the primary and appellate

levels--that all trials require. It is a special procedure that is acknowledged and contemplated in universal legislation in the defense of high officials, who having violated the constitution or having committed a crime in the ordinary course of their functions cannot be arrested or tried without the pertinent procedure.

Maybe it is because the congressmen are surrounded by these guarantees that they are using and abusing their immunity. It must also be recalled that the justice minister's accusation is to be added to similar accusations that have been formulated by various sectors during the past few weeks. Within this context the accusation made by the director general of the Peruvian Investigative Police merits special attention. He had warned about the interference with threats that certain congressmen are making regarding certain people under arrest in police precincts and in other departments under his charge.

CSO: 3010/140

## UNITED STATES' DECISION ON SILVER SALES CRITICIZED

PY201903 Lima EL COMERCIO in Spanish 11 Oct 81 p A-2

[Editorial: "A Decision Harmful to the Peruvian Economy"]

[Text] The U.S. Government is about to put a large volume of its strategic silver reserves (about 105 million ounces in the next 3 years) on the market. This decision will inflict a harsh blow to the economies of Peru, Mexico and Canada, the main silver-producing countries. Moreover, these countries are already faced with fall in silver prices. An important New York newspaper has stated: "It seems that Mexico, Peru and Canada will have to pay for their friendship with the United States."

Through a law the U.S. Congress has authorized the sale of this large silver stock. The claims submitted at the proper time by the silver-producing countries--mainly by Peru--led the U.S. Congress to establish that it will be up to the U.S. executive branch to gradually disburse the strategic silver reserve, which according to a recent announcement, will start in October.

It is a paradox that this U.S. decision will benefit the Soviet Union which is the largest silver importer. The price upset in the international market caused by this increase in supply will result in a fabulous deal for the USSR but it will harm the already undermined economies of silver-producing countries.

This is a bewildering decision mainly because right now there is a surplus of silver on the market. This surplus has resulted from an increase in production caused by a hike in silver prices. But later prices underwent a contraction because of financial, political and economic factors. Among these were international conflicts, the recession affecting industrialized economies, the inflation rate in the United States, the high cost of investments needed to exploit silver mines, the rise of the dollar, the restriction of the money supply, the hike in the U.S. differential interest rates, the industrial process of replacing silver and particularly, an increase in supply, all of which affected prices. From a rate of \$50 per ounce, at the beginning of the "boom," the silver rate decreased to its present rate of \$9.2 per ounce.

It is obvious, therefore, that to increase the supply of silver in the market will have catastrophic results for silver-producing countries among which is Peru. Last year Peru sold 43 million ounces of its 45 million annual

production generating an income of \$800 million. In 1981 in addition to the fall in prices, there was also a decrease in the marketing process thus causing serious troubles for the production sector. It is easy, therefore, to predict what will happen when the announced U.S. decision is implemented. Peru has warned U.S. officials and those who attended the IMF conference in Washington about the serious situation that will result from putting more silver on the market.

There is no question that the United States has the right to enforce those measures that it believes to be more suitable to its own interests. But it is also necessary to keep in mind the fate of poor countries when adopting certain measures that are not in keeping with the interests of those nations--like ours--that also contribute to the development of other important economies and to the international order; that is when priority is given to domestic needs of industrialized countries at the expense of the overall structure of the Western economic system.

It is necessary, therefore, for U.S. Government leaders to reflect on the negative strategic consequences of such a measure and to repeal this decision which will deteriorate even more our precarious economic situation. It is, moreover, necessary to enforce measures that are in keeping with the promises that have been made. Otherwise our nations will be less receptive to the demands of the free world and will support the play of the hegemonic powers of the communist world.

CSO: 3010/1.0



## STUDENT DIES AS CONSEQUENCE OF CLASH; OTHER ATTACKS REPORTED

PY262326 Paris AFP in Spanish 1711 GMT 25 Oct 81

[Text] Lima, 25 Oct (AFP)--It was disclosed in this capital today that yesterday a university student died in Cusco, southeastern Peru, as a consequence of a clash with police forces while other outbreaks of violence were registered in various areas of the country.

Antonio Ayerbe Flores, 19-year-old university student, died yesterday in a hospital in Cusco, 1,000 km southeast of Lima, 5-hours after having been arrested by the police due to serious riots which started 3 days ago to protest the increase of the public transit fares.

The students, who yesterday returned to the streets to continue their protest charged that the police were responsible for the death of their university colleague who, according to the autopsy, died due to brain damage and multiple bruises.

As a result of these events Luis Rosasco, prefect of the department (political authority), resigned his post while the students yesterday stoned vehicles in the downtown area demanding the body of their classmate which was not handed over by the police.

In this same city an unidentified group hurled a dynamite stick against the home of the parents of governing-party Deputy Gilberto Muniz causing significant damage to the house building.

Meanwhile, yesterday, Saturday, a group of presumed terrorists tried to dynamite the antenna of a radio station in Huancayo, 311 km due east but their attempt was frustrated due to the timely intervention of guards on duty.

It was also disclosed that dynamite attacks were carried out in the Oroya and Morococha mining centers against a store and private house respectively causing minor damage.

It was reported from Iquitos, Amazonia, that two students were arrested on suspicion of trying to kill Peruvian President Fernando Belaunde who yesterday travelled to the Selva accompanied by a large group of people.

The arrested persons, identified as 24-year-old Alberto Hugo Torres and Alberto Vasquez, were caught carrying a modern German-made submachinegun and great quanti-

ties of ammunition, precisely on the highway which the president was going to take. They were hidden among the bushes by the Ucayali River, near Pucallpa.

Upon return from his trip the chief of state reiterated that he condemned terrorism and stated that those who light the fuse without caring who will be the victim of the explosion are cowards.

It was reported in the city of Pucallpa that a few hours before President Belaunde's arrival a dynamite stick exploded in the local airport without causing any damage but that as a consequence a great number of policemen were mobilized.

CSO: 3010/151

## GOVERNMENT OFFICIALS REPORTEDLY INVOLVED IN SCANDALS

PY221632 Paris AFP in Spanish 2026 GMT 21 Oct 81

[Text] Lima, 21 Oct (AFP)--Javier Arias Stella, Peruvian foreign minister and secretary general of the government party Popular Action [AP], has stated that all those who are found guilty of a number of financial scandals in the state sector will be rigorously punished.

Since the defrauding actions are estimated at billions of soles, the appropriate investigations--involving members of the government party--are being carried out by congress and the judicial branch.

One of the main scandals has to do with the purchase--reportedly over-rated--of a number of shares of the pharmaceutical concern Sanita of this capital using the fishermen's social security funds. The transaction, carried out toward the end of July 1981, was made for 1,372,000,000 soles (\$2,765,000), to which several millions more were added for the purchase of the remaining shares.

The persons involved, mostly leaders of the government party, have been detained, but congress is also investigating the possible participation of a government senator in that operation. The judicial branch has filed suit against other officials from the economy ministry public credit department board on charges of fraud which, according to some reports, amounts to 4 billion soles (\$8,695,000) and according to other reports, 63 million soles (\$137,000).

Two of the persons involved--one is still at large--have stated that the modus operandi was very simple: upon receiving the foreign debt and public credit checks, they okayed them and passed them on to an accomplice who cashed them.

Congress is also investigating a number of irregularities in the social security sector, while the judicial branch is investigating one of them: the sale of [word indistinct] large amount of scrap iron among which there was a large number of automobiles and refrigerators that were in good condition.

The congressional committee is also investigating the purchase by the social security system of glass and aluminium for many millions of soles and also the purchase of two buildings and the construction of a housing project.

The purchase of uniforms, helmets and other implements at extremely high prices by the Lima prisons board, whose officials have reportedly received important donations for such operations, is also under investigation.

Finally, congressional committees have been designated to investigate complaints about huge embezzlements in decentralized organizations from the interior, while a judicial investigation about a contract signed between the previous regime and the Italian firm Svires is about to conclude. The contract provides for the construction of hospitals, which were not built, although \$40 million [figure as received] has been paid.

CSO: 3010/151

## BRIEFS

SENATE TO PROTEST SILVER SALES--Lima, 22 Oct (AFP)--The Peruvian Senate tonight unanimously approved a motion of protest against the government of the United States because it is selling its silver reserves. The White House has already held two silver auctions and the Peruvian authorities fear that the price of silver, which is already very low, will continue to decrease and thus cause serious economic difficulties in the country. The motion will be sent to the foreign ministry so that it, after the text has been reviewed, can be sent to the U.S. Government and Senate. Peru and Mexico have been carrying out negotiations with the White House in order to get the latter to desist from its intent and the only thing they have achieved is that the sales will go ahead in such a way that they do not depress prices. [Text] [PY230033 Paris AFP in Spanish 2332 GMT 22 Oct 81]

TERRORISTS KNOCK OUT HIGHTENSION PYLON--Hunacayo, Peru, 23 Oct (TELAM)--A high tension pylon was knocked out with a powerful explosive charge placed by terrorists. It left the city of Cerro de Pasco, northeast of Lima, without electricity and water. The approximately 32 meter high pylon fell with a lot of noise after the explosion. The incident occurred yesterday afternoon and to date there have been no arrests. [Text] [PY232034 Buenos Aires TELAM in Spanish 1837 GMT 23 Oct 81]

POLICE CHIEF'S HOUSE DYNAMITED--Huaraz--The second dynamite attack of the week was perpetrated on Wednesday at 2100 against the house of PIP [Peruvian Investigative Police] Col [Cesar Lebano Nappa]. The explosion caused damage to all the windows of the house and the main door. It also injured the commander's 20-year-old daughter. Interviewed by reporters Ancachs prefect (Antonio Tamariz) noted that terrorist are trying to distract police attention so as to create other terrorist fronts. He added that the shining path movement perpetrated the attack against the PIP commander's house since [words indistinct] similar to that used in the other 31 terrorist attacks that have been perpetrated in the department. The people of Huaraz expressed concern over this series of attacks and some institutions have requested a reinforcement of police activity and for the government to declare a state of emergency in Ancachs Department. [Text] [PY231726 Lima Domestic Service in Spanish 1200 GMT 23 Oct 81]

STRIKE TERMED 'COMPLETE FAILURE'--The Minero-Peru Mining Corporation Public Relations Department has reported that the 24-hour and 48-hour strikes called by the Minero-Peru workers union at the main mining plant and at the zinc plant at Cajamarquilla respectively have been a complete failure. The strikes were supported by small groups of workers whose absence did not alter the normal activity of the plants. [Excerpt] [PY231556 Lima Domestic Service in Spanish 1200 GMT 23 Oct 81]

DETAILS ON PLOT TO KILL PRESIDENT--Lima, 26 Oct (TELAM)--President Fernando Belaunde asserted that he does not believe there were plans to kill him during his recent visit to Pucallpa, in the northeastern jungle, as had been reported by a local daily. According to reports from Pucallpa, the civilian guard seized an Israeli-made Uzi submachinegun with the acronym and emblem of the Peruvian army engraved on it. Reports also state that the civilian guard is carrying out investigations to find out the intentions of the owners of the submachinegun. The police also dismissed the possibility of a plot against the president being organized. In the meantime the daily LA PRENSA today reports that it has been observed that as of last night vigilance at government palace has been increased and that nobody is allowed near the building after 2200. In addition to the submachinegun the police seized a launch with a powerful outboard engine and bullet proof windshields. The arrested persons, whose names were not revealed, are students of the National University of the Amazon [Universidad Nacional de la Amazonia] who are seemingly involved with a ring of drug traffickers. [Text] [PY261951 Buenos Aires TELAM in Spanish 1625 GMT 26 Oct 81]

FRENCH LOAN--Lima, 2 Oct (AFP)--The French Government today granted a soft loan of approximately \$80 million to Peru for financing seven projects in the areas of agriculture, energy, communications and health. [PY160047 Paris AFP in Spanish 0351 GMT 3 Oct 81 PY]

GOVERNMENT LABELS STRIKE ILLEGAL--Lima, 26 Oct (TELAM)--The Labor Ministry has declared illegal the 6-day strike of about 500 workers of the Raura mine in the Lima Department where strikers are holding as hostages three officials of the company and took over the only radio station that communicates with Huacho. The ministry says that most of the workers' claims have been satisfied and that it has authorized a salary increase of about \$3.25 daily as opposed to \$6 demanded by the miners. [Text] [PY261956 Buenos Aires TELAM in Spanish 1630 GMT 26 Oct 81]

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